



2023

Corporate Social Responsibility (ESG) Report

Air China Limited

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About This Report

This report presents Air China Limited's performance in 2023. In accordance with the requirement for social responsibility stipulated by the SASAC of the State Council, we leverage our strengths in core airline operations, and continuously strengthen our social responsibility management and disclosures. It is demonstrated in the report that our commitment and actions in key areas such as implementing national strategies, ensuring safety development, addressing climate change, practicing green development, enhancing product responsibility, and focusing on employee development and community welfare. We hope you can feel our sincerity and commitment through this report, and thank for the continuous support of our reform and development.

Reporting Period

This report covers the period from 1 January to 31 December in 2023.

Scope of the Report

This report is primarily about Air China Limited, but also involves its branches, operating units, supporting units, and main subsidiaries such as Aircraft Maintenance and Engineering Corporation (Ameco), Shenzhen Airlines Company Limited (Shenzhen Airlines), Shandong Aviation Group Company Limited (Shandong Aviation Group Corporation), Beijing Airlines Co., Ltd. (Beijing Airlines), Dalian Airlines Co., Ltd. (Dalian Airlines), and Air China Inner Mongolia Co., Ltd. (Inner Mongolia Airlines). Among them, Shandong Aviation Group Corporation has been included in the scope of the report in 2023 for the first time.

Basis of Preparation

This report is prepared in accordance with relevant requirements, including the *Guidelines to the Central State-owned Enterprises Directly on Fulfilling Corporate Social Responsibilities*, the *Measures for the Compliance Management of Central Enterprises*, the *Work Plan for Improving the Quality of Listed Companies Held by Central Enterprises*, and the *Study on ESG Special Report Compilation for Listed Companies Controlled by Central Enterprises* released by the SASAC of the State Council, the *Notice on Strengthening the Social Responsibility of Listed Companies*, the *Guide for Environmental Information Disclosure of Listed Companies* and the *Guide No. 1 on the Application of Self-Regulation Rules for Listed Companies – Standard Operations* released by the Shanghai Stock Exchange (SSE), and the *Environmental, Social and Governance Reporting Guide* of the Stock Exchange of Hong Kong Limited (HK-ESG Reporting Guide), with reference to the standards and requirements such as *Global Reporting Initiative Sustainability Reporting Standards* (GRI Standards) of the Global Sustainability Standards Board (GSSB), *GB/T36001 Guidance on Social Responsibility Reporting* and other guidelines for the aviation service industry.

Release Cycle

This is our 16th consecutive social responsibility report, which we release annually. The Chinese version of the previous year's report is released in March each year, and the English version is released in April.

Sources of Data

All the financial data referred in this report, applying to *China Accounting Standards for Business Enterprises*, is extracted from the audited annual reports of Air China Limited, while the other data comes from official internal documents and relevant statistics of Air China Limited.

Abbreviations

In this report, "the Company", "Air China" or "we" refers to Air China Limited, while "the Group" refers to Air China Limited and its holding subsidiaries, and "CNAHC" refers to China National Aviation Holding Corporation Limited.

Accessibility of the Report

This report is prepared in both Chinese and English, and should there be any discrepancy in meaning between the two versions, the Chinese version shall prevail. Electronic copies of this report in both Chinese and English are also available for downloading from the Company's website. If you wish to acquire a printed version or raise suggestions and/or comments on this report, please contact us at:

Website : www.airchina.com.cn/cn/investor_relations/csr.shtml

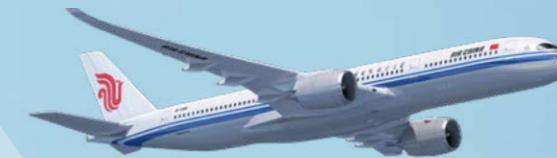
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Chairman's Statement



The year 2023 was the kick-off year for fully implementing the guiding principles from the Party's 20th National Congress, as well as a milestone for delivering the 14th Five-Year Plan. Over the past year, the Group has been actively responding to the national calls, focusing on the priority of high-quality development, coordinating safety and development, and actively fulfilling ESG responsibilities, in a bid to promote sustainable development and contribute to the new journey of building a modern socialist country in all aspects.

Insisting on safety development and fulfilling responsibility for safety. Faced with complex environment and severe challenges, the Group has always regarded safety as the primary political task and top priority and fully practiced the holistic approach to national security, thus maintaining stable situation of work safety. We strictly implemented safety responsibilities, firmly established the concept of safety development, resolutely implemented the *Work Safety Law of the People's Republic of China* and the "Fifteen Measures For Work Safety" issued by the Work Safety Commission of the State Council, and continuously strengthened the organization and leadership of safety work. We solidly carried out key work, conscientiously implemented the safety supervision and inspection requirements of the Civil Aviation Administration of China, seriously carried out rectification, improve long-term mechanisms, and enhanced the overall level of safety management. We effectively focused on key links, conducted special risk assessments based on the characteristics of each stage of market recovery and seasonal environmental changes, and ensured that production support capabilities match the actual operation of flights. In 2023, the Group successfully guaranteed major transportation tasks such as the Chengdu

FISU World University Game, the Hangzhou Asian Games, the "the Belt and Road" Summit Forum, and earthquake relief, etc.

Embracing green development and fulfilling environmental responsibilities. Acting on the concepts of green development and ecological civilization, Air China is committed to doing its bit for the Beautiful China initiative by actively laying out and implementing the green development action plans. We specified our overall targets of our efforts to achieve the carbon peaking and carbon neutrality. We attached great importance to the risks and opportunities posed by climate change, and scientifically planned the process to reduce GHG emissions. We deepened the green operation model, implemented the responsibility of green development, and protected the ecological environment and biodiversity. Taking energy conservation and consumption reduction as the primary mission, we promoted the special action of reducing plastic and waste, adhered to the concept of low-carbon and green resource management, and strived to create a resource-conserving and environmentally friendly business.

Adhering to the people-centered development and shouldering responsibilities for customers and employees. Air China puts customers and employees as the first priority, emphasizing responsibility management, brand service, and employee development. We actively advance the construction of service standards and reshape the top-level design of service standard management; We focus on creating excellent service products and consistently enhance the service brand image; We strive to improve service quality management capabilities and enhance passengers' service experience; We speed up the digital

transformation of services and steadily improve the level of service digitization. We respect the democratic rights and interests of employees, improve market-oriented employment mechanisms, build talent exchange platforms, and strengthen employee health management, pursuing long-term development of employees and enterprises together.

Engaging in social welfare and honoring social responsibility. Air China fully implements the strategic plans for rural revitalization and continuously optimizes the "Aviation+" assistance model, focusing on the revitalization work of industry, talent, culture, ecology, and organization. Our efforts includes supporting our paired-up assistance areas of Zhaoping County in Guangxi Province, and Sonid Right Banner in Inner Mongolia to consolidate the results of poverty eradication and effectively promote rural revitalization in an all-round way. We acted as a responsible state-owned enterprise in delivering air transportation support for disaster relief efforts of earthquake stricken areas in the Republic of Türkiye, Hangzhou Asian Games, Chengdu FISU World University Games, Davos Forum and other events. We actively participated in the aid and assistance for countries of the Belt and Road Initiative (BRI), and launched or resumed the BRI-related airlines. Upholding the voluntary service spirit of "dedication, friendship, mutual assistance, and progress," we actively assumed corporate social responsibility by carrying out activities such as CNAHC Blue Sky Classroom, and providing voluntary service for the Hangzhou Asian Games and the Asian Para Games.

Strengthening the leadership of Party building and ensuring high-quality development. Fully implementing the guiding principles of the Party's 20th National Congress,

Air China strengthens the leadership of the Party in corporate governance and the construction of management for talent teams, firmly and deeply promotes full and rigorous Party governance, and strives to create a clean and positive political environment, providing a strong guarantee for a high-quality development and the construction of a world-class enterprise.

The year 2024 marks the 75th anniversary of the founding of the People's Republic of China and an important year for the Group to build a world-class enterprise. Air China will adhere to the underlying principle of seeking progress while maintaining stability, implement the new development concept fully, accurately, and comprehensively, make efforts to accelerate the construction of a new development landscape, and coordinate high-quality development and high-level safety. We will enhance core functions, improve core competitiveness, and continue to promote sustainable development, fulfilling corporate social responsibilities and responding to public expectations with practical actions, and making new contributions to the building of a country with a strong transport industry and a new chapter in civil aviation.

Air China Limited
Chairman

ESG Statement from Board of Directors

Air China's Board of Directors is the highest responsible and decision-making body for ESG affairs. It integrates the concept of sustainable development into the decision-making process of the Company's major issues, listens to reports from ESG implementation units at regular communication meetings, supervises affairs concerning ESG that may affect the Company's business or operation, shareholders, and other stakeholders, to ensure the consistency between ESG concepts and corporate strategies. The Board is responsible for approving the identification of stakeholder communication results and significant agenda deliberation outcomes, and for reviewing and approving the Company's corporate social responsibility and ESG reports.

In 2023, in accordance with the regulatory requirements of the SASAC of the State Council about improving the quality of listed companies held by state-owned enterprises, Air China continued to improve the ESG responsibilities and work content of the Strategy and Investment Committee of the Board of Directors, in a bid to promote the effective connection and implementation of ESG supervision and the Company's ESG work.

The professional committees under the Board of Directors report to the Board on such issues as safety management, service optimization, risk compliance, investment and financing, ensuring the continuous and stable progress of related work.

The Board has established a Corporate Social Responsibility (CSR) Leadership Panel, which is responsible for formulating and approving CSR strategy, and guiding the implementation of CSR work. The Office of CSR Leadership Panel, as the primary executing body of Air China's CSR work, is responsible for formulating annual CSR plans, coordinating the implementation of CSR plans and promoting the progress of related work.

This report fully disclosed the progress and outcomes of Air China's ESG work in 2023, which was reviewed and approved by the Board of Directors on March 28, 2024.

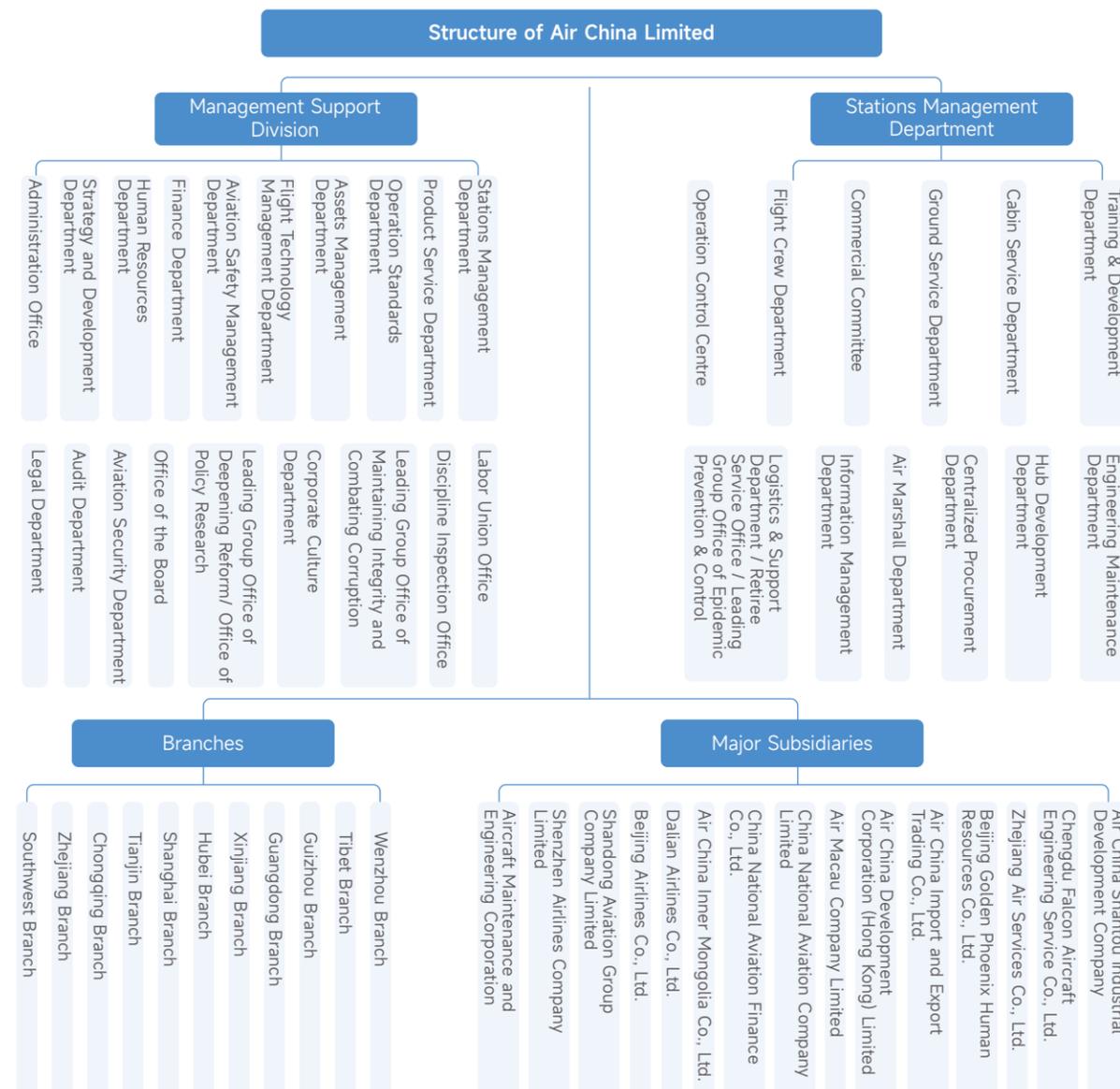


About Air China

Company Profile

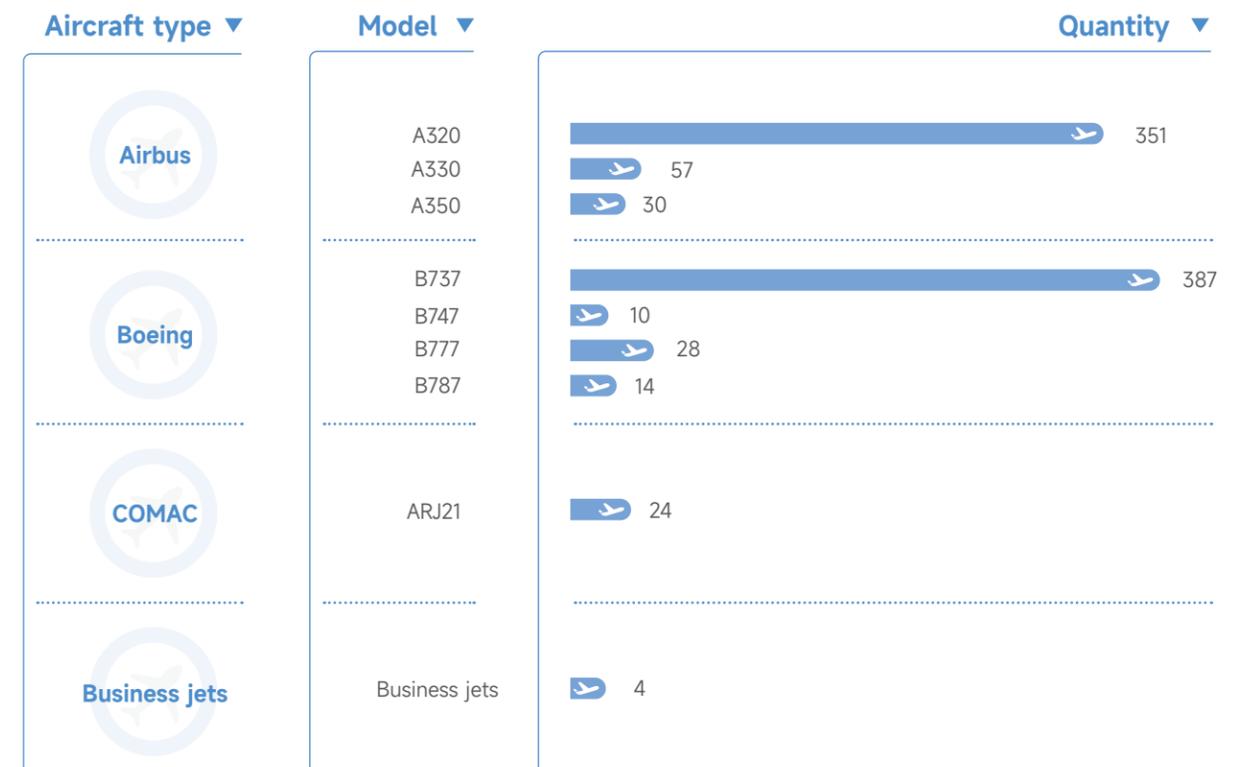
Air China Limited was founded in 1988, formerly known as Air China International Corporation. In October 2002, Air China International Corporation integrated the air transportation resources of China Southwest Airlines and China National Aviation Company to form a new entity. On September 30, 2004, Air China Limited was founded in Beijing. The Company was then listed both in Hong Kong and London on December 15 of the same year, before listed in the domestic A-shares market on August 18, 2006.

Air China is the only flag-carrier aviation company in China, and a member of the world's largest airline alliance Star Alliance, the official aviation transportation partner of the 2008 Beijing Olympics and Paralympics and the 2022 Beijing Winter Olympics and Paralympics. Air China takes the lead among domestic airlines in passenger transportation and other related service, providing important international and domestic transportation service such as emergency flights, and charter flights for VIPs and leaders of foreign countries. In 2023, according to the assessment of the World Brand Lab, Air China got a brand value of RMB 235.162 billion, the highest among Chinese civil aviation companies.



Fleet Structure

As of December 31, 2023, the Group had a total of 905 aircraft of various types, mainly Boeing and Airbus series, the average age of which was 9.36 years.



Route Network

As of the end of 2023, Air China domestic routes

336

Covering

123 domestic cities

International routes

94

36 countries

Regional routes

12

55 international cities **3** regional cities

Philosophy of Responsibility

Vision

A leading airline in the world

Mission

- Putting safety at the forefront
- Delivering 4C-based services
- Achieving steady growth
- Helping our employees pursue a successful career
- Fulfilling our responsibilities



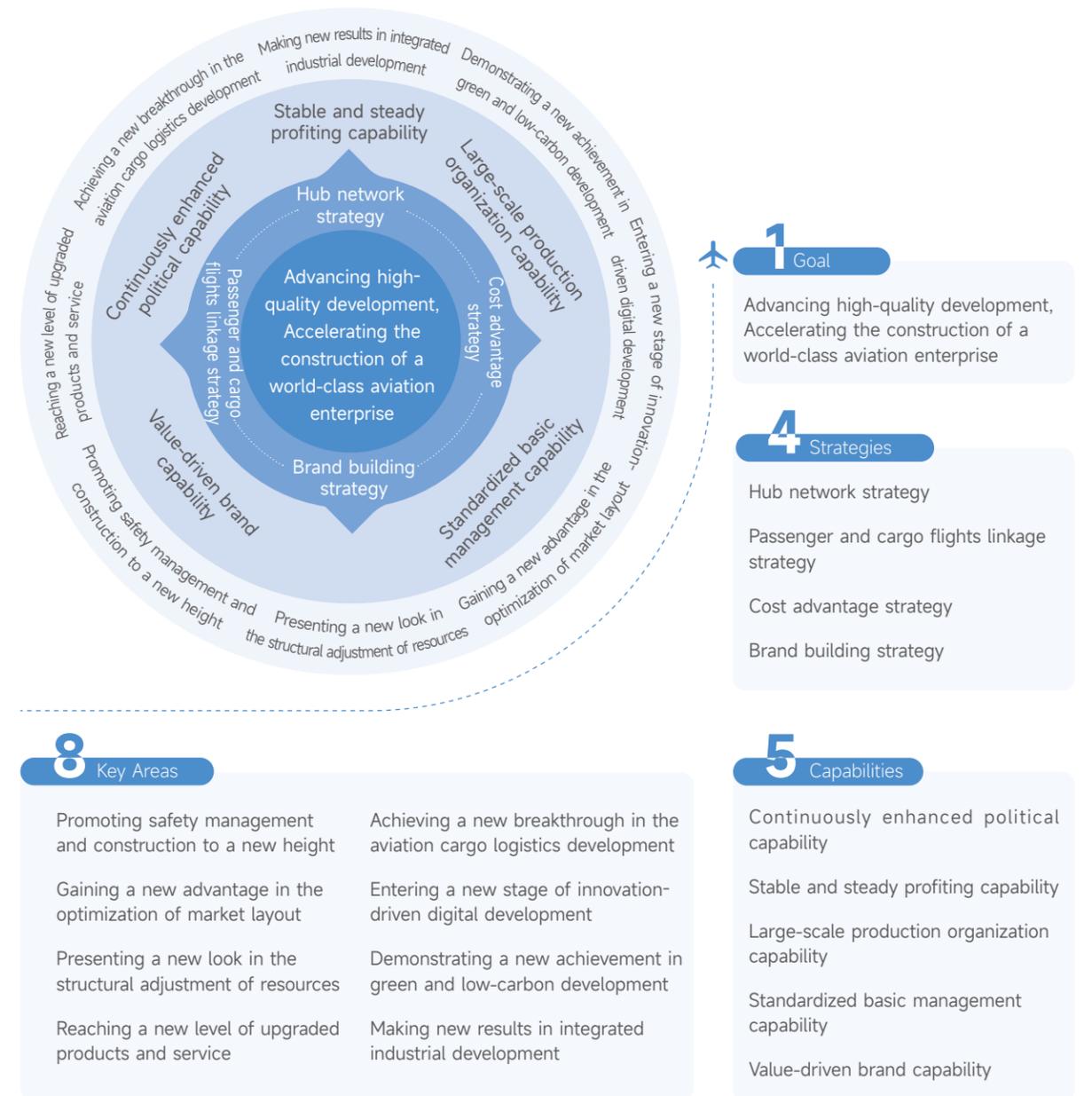
Values

- People orientation
- Assumption of responsibility
- Resolve to get ahead
- Loving to fly

Brand Positioning

A professional trusted airline with world-class standards and a unique Chinese flair

The 14th Five-Year Plan



Major development goals during the 14th Five-Year Plan period

Passenger carried

166.72 million person-times

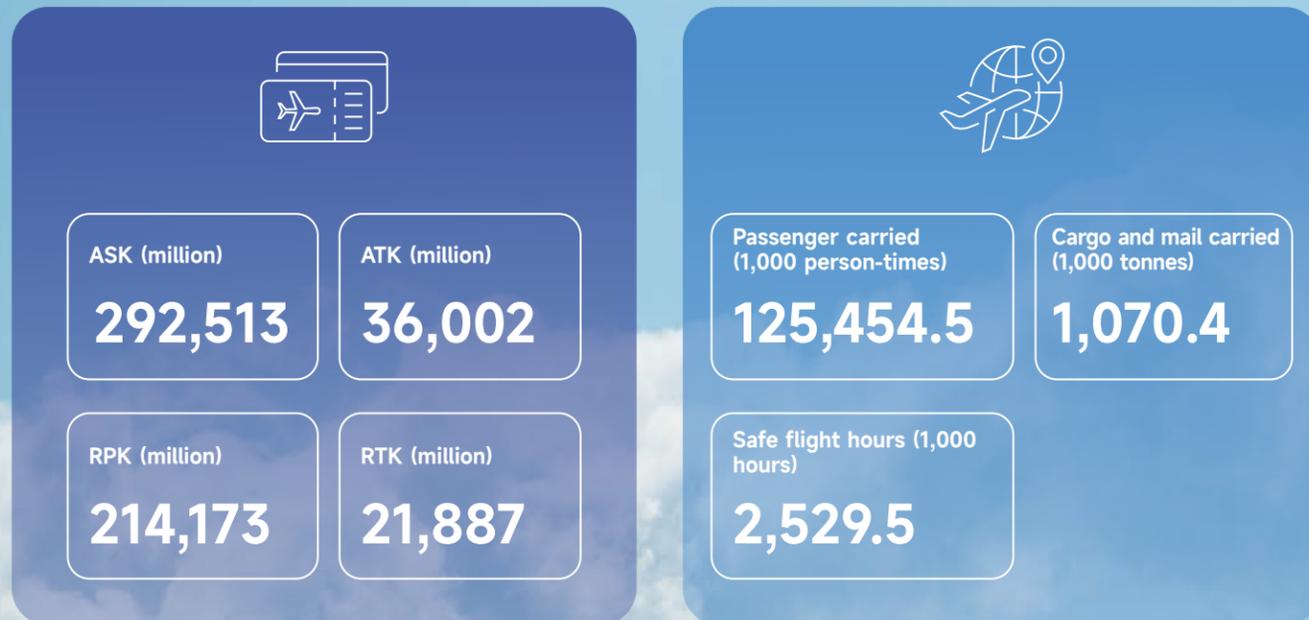
Passenger's overall satisfaction

83.5 points

Accountable incidents rate of air transportation per 10,000 flight hours

<0.11

Highlights of ESG Performance



Striving Hard for Higher Efficiency and Effectiveness

Seizing the opportunity posed by the recovery of the air passenger market

- While ensuring safety operation, Air China took comprehensive steps to improve quality and efficiency, and strived hard for higher efficiency and effectiveness, making a year-on-year increase of 166.74% in operating revenue and decreasing the loss of RMB44.219 billion. Our operating performance significantly improved, and the overall economic operation remained stable.

Adhering to the principle of increasing investment, ensuring price, and competing for quantity

- Strengthening the capabilities for collaborative development and focusing on improving the optimization allocation of core resources;
- Improving the utilization efficiency of advantageous aircraft models and expanding effective investment;
- Seizing the opportunity to increase capacity at major airports and continuously upgrading express line products;
- Providing quality service to contribute to China's "Go Global" strategy and the Belt and Road initiative; Implementing 55 routes related to the Belt and Road initiative, involving 25 countries and 31 cities, with the flight volume approaching 90% of the same period in 2019, and continuing to promote the resumption and increase of international routes;
- Speeding up marketing model innovation and digital transformation, deepening passenger-cargo linkage and driving year-on-year growth in transportation revenue of passenger and cargo.

Adhering to strict cost control

- Firmly establishing the concept of "tightening the belt," managing the budget strictly, and making cost reduction through the entire business;
- Exploring the potential for cost reduction in operation, controlling fixed costs throughout the entire process, and reducing cost levels;
- Highlighting the principles of cash flow safety and sustainability, strengthening the overall management of funds, and improving the efficiency of capital utilization;
- Continuously optimizing debt structure, effectively controlling the scale of interest bearing liabilities, and saving financial expenses; Improving the overall labor productivity and scientifically controlling labor costs.

Honors and Awards

01

In June, the World Brand Lab released the "China's 500 Most Valuable Brands 2023," ranking Air China 24th on the list with a brand value of RMB 235.162 billion, a leading position in the domestic aviation industry.

In December, Air China was awarded the "the World's 500 Most Influential Brands" by the World Brand Lab in the 17th consecutive year.

Meanwhile, Air China was awarded the "Brand China NO.1 (Aviation Industry)" in 2023.

02

Air China was awarded the "Five Star Global Airline" by APEX (Airline Passenger Experience Association) .



03

In May 2023, at the 19th Selection of Innovation Achievements in Modern Management of Transportation Enterprises held by the Ministry of Transport of the People's Republic of China, the "Carbon Emission Monitoring and Analysis Platform" independently developed by CNAHC won the first prize, and the "Innovation Practice Project of Restriction Information for Digital Airport Operation" of Shenzhen Airlines won the second prize.



From August 23rd to 25th, 2023, the case of "the Construction of Autonomous Training Capacity for Flight Trainees" submitted by the Training and Development Department of Air China won the highest award - "Top 10 Typical Cases of Integration between Industry and Education in the Civil Aviation Industry in 2023" at the 3rd Civil Aviation Vocational Education and Training Development Forum and the 1st Exhibition of Integration between Industry and Education in Civil Aviation.

04

At the first Professional Competition of Digital Innovation among State-owned Enterprises hosted by the State-owned Assets Supervision and Administration Commission, the project "Multi-level Refined and Autonomous Flight Monitoring System for Civil Aviation" of CNAHC won the third prize for digital scenario innovation.



05

In 2023, the project of **"Aircraft Cross Fueling System"** of Air China was awarded as **an excellent achievement** in the 7th

National Workers' Excellent Technological Innovation Achievements Communication Activity, jointly organized by the All-China Federation of Trade Unions, etc.



06

Air China's information disclosure work was rated **A-level**, the **highest level** of annual information disclosure work, by the Shanghai Stock Exchange, in the 10th consecutive year.

Air China was awarded the **"Best Practice Case"** by the China Association for Public Companies in the Best Practice Activity of the Board of Listed Companies in 2023.



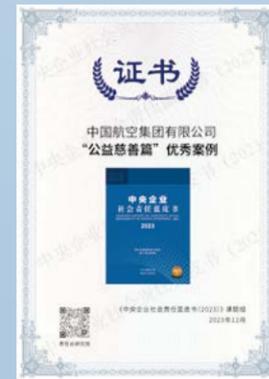
07

In the 2023 ESG rating of listed companies held by state-owned enterprises, Air China reached a four-star level, and was *selected* into the **"State-owned Enterprises ESG Top 100 Index"**.



08

In December, Air China's excellent management cases were selected into the **Blue Book on Social Responsibility of State-owned Enterprises (2023)** and the **Blue Book on Overseas Social Responsibility of State-owned Enterprises (2023)**.



Responses to UN 2030 Sustainable Development Goals (SDGs)



1 NO POVERTY

Our Actions in 2023

Air China is dedicated to supporting underprivileged areas with care and commitment. We have formulated key project plans for rural revitalization, known as the "5+N" initiative. In 2023, a total of RMB 42.17 million was invested for 20 assistance projects.

Corresponding chapter

6.1 Rural Revitalization

2 ZERO HUNGER

Our Actions in 2023

Air China is supporting the development of an e-commerce sales platform for agriculture and livestock products, assisting Sonid Right Banner in transitioning to internet sales, and expanding the sales channels for agricultural products.

Corresponding chapter

6.1 Rural Revitalization

3 GOOD HEALTH AND WELL-BEING

Our Actions in 2023

In order to improve the health and safety in working conditions of employees, Air China enhances occupational health hazard prevention and control, conducts physical examinations for all employees, and provides on-site psychological health consultations. At the same time, Air China offers diverse and comprehensive welfare benefits for employees.

Corresponding chapter

5.3 Occupational Health and Safety
5.4 Incentives and Care

4 QUALITY EDUCATION

Our Actions in 2023

Air China and Shenzhen Airlines jointly dispatched 16 volunteer teachers to the Zhaoping area, accumulating a total of 3,303 teaching hours. In addition, Air China organized 5 batches of short-term volunteer teaching activities involving 48 individuals during weekends, accumulating a total of 79 teaching hours.

Corresponding chapter

6.1 Rural Revitalization

5 GENDER EQUALITY

Our Actions in 2023

Air China values gender equality and ensures that female employees have fair opportunities for promotion and career development. We have formulated the fourth edition of the *Special Collective Contract for the Protection of Female Employees' Rights and Interests*, aimed at enhancing the welfare of female employees. We have organized a series of activities for female employees and promoted the establishment of female-friendly workplaces.

Corresponding chapter

5.1 Employment and Employees' Rights and Interests
5.4 Incentives and Care

6 CLEAN WATER AND SANITATION

Our Actions in 2023

Air China attaches great importance to water conservation and reuse, deeply explores water-saving and environmental protection technologies, and actively implements water-saving measures in daily operations to comprehensively improve the overall utilization rate of water resources.

Corresponding chapter

3.3 Promoting the Green Operation Model

7 AFFORDABLE AND CLEAN ENERGY

Our Actions in 2023

Air China has promoted the domestic application of sustainable aviation fuel, promoting the first commercial passenger flight to use domestically produced sustainable aviation fuel on a wide-body aircraft in China.

Corresponding chapter

3.2 Addressing Climate Change

8 DECENT WORK AND ECONOMIC GROWTH

Our Actions in 2023

Air China provides all employees with a competitive salary in the industry, forms a differential compensation and performance distribution system that matches individual capabilities, performance, and market competition.

Corresponding chapter

5.4 Incentives and Care

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

Our Actions in 2023

Air China advances the implementation of the *Digital Transformation Action Plan (2022-2025)*, deepens the development of three major digital platforms, and comprehensively supports the Company's digital transformation.

Corresponding chapter

1.4 Digital Transformation

Our Actions in 2023

Air China strictly adheres to an open, fair, and equal employment policy, and firmly eliminates discriminatory behaviors based on nationality, age, ethnicity, gender, beliefs, as well as any physical or psychological disabilities. The Company upholds equal pay for equal work and safeguards the legitimate rights and interests of employees. In 2023, Air China did not experience any incidents of employing child labor, forced labor, or discrimination.

Corresponding chapter

5.1.1 Equal Employment

Our Actions in 2023

Air China actively engages in public welfare activities, provides care and assistance to community residents, and injects energy and warmth into social development.

Corresponding chapter

6.3 Supporting the Community

Our Actions in 2023

Air China strives to create a more enjoyable travel experience for passengers through a rich array of service offerings and thoughtful attention to service details. In 2023, 10 subsidiary companies, 7 operational management units, and 3 management support departments of Air China, all with audit qualifications, have successfully passed the service quality management system certification.

Corresponding chapter

4.1 Service Quality Management

Our Actions in 2023

Air China strengthens climate governance capabilities, actively implements the national goals of "carbon peaking" and "carbon neutrality". We incorporate climate change response into the Company's strategic planning, comprehensive risk management system, and daily operational management, contributing Air China's efforts to global climate change mitigation.

Corresponding chapter

3.2 Addressing Climate Change

Our Actions in 2023

Air China actively promotes biodiversity conservation monitoring initiatives, initiates the Five-Year Action Plan for Yangtze River Ecological Protection. The Company also conducts activities such as breeding and releasing rare fish species into the Yangtze River, demonstrating its commitment to the conservation of aquatic biodiversity in the Yangtze River.

Corresponding chapter

3.3 Promoting the Green Operation Model

Our Actions in 2023

Air China upholds the ecological civilization concept of respecting, protecting, and adapting to the nature. The Company actively engages in public welfare actions such as biodiversity monitoring and promotion to contribute to the preservation of natural ecosystems.

Corresponding chapter

3.3 Promoting the Green Operation Model

Our Actions in 2023

Air China has improved the corporate social responsibility management system and governance structure, and established a diversified Board of Directors. The Company deepens the development of a culture of integrity and has "zero-tolerance" towards bribery, corruption, fraud, money laundering and unfair competition.

Corresponding chapter

1.1 Responsible Governance

Our Actions in 2023

Air China actively participates in various activities of industry associations, builds a global aviation network, and leads industry-wide coordinated development.

Corresponding chapter

6.4 Jointly Promoting Industry Development



01

Sustainable Development Management

Air China firmly believes that sound corporate governance is the cornerstone of maintaining sustainable development of the Company. Air China has developed a comprehensive corporate control structure and risk management system, while continuously exploring and implementing diverse corporate governance measures. A sound management mechanism and efficient measures have effectively enhanced the effectiveness of corporate governance, solidified the foundation for sustainable development, and maintained a stable development posture in the constantly changing market environment.

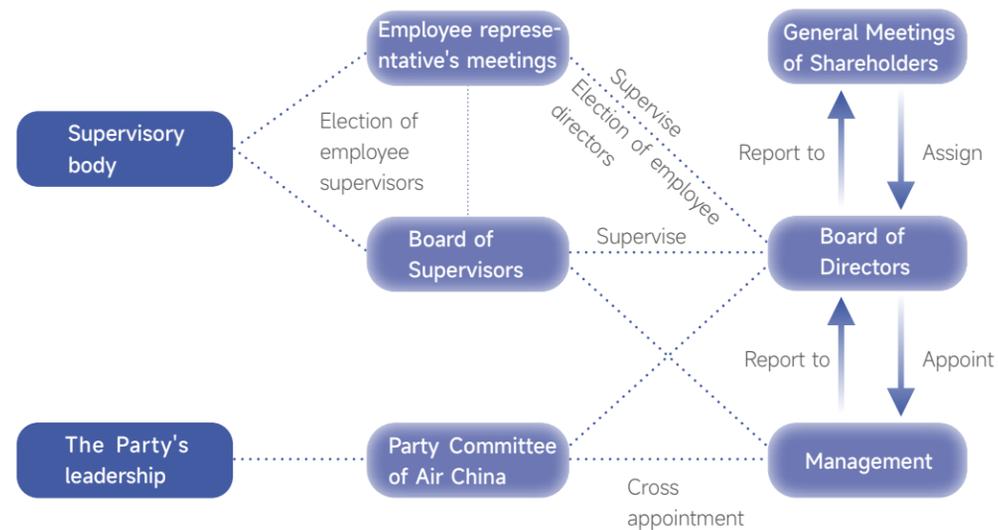
Responsible Governance

Air China consistently improves the corporate governance and risk resilience, constantly optimizing the social responsibility management system and governance structure. Adhering to honest business practices and compliance management, ensuring integrity in professional conduct, and effectively safeguarding investors' interests, Air China integrates sustainable development management into the Company's overall governance and operations, thereby steadily enhancing Company value through strengthened governance capabilities.

Governance System

Air China has established a corporate governance system that is legally compliant, transparent in responsibility, coordinated in operation, and effectively balanced, based on the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and the *Code of Corporate Governance for Listed Companies*, among other laws and regulations. In 2023, we revised the *Articles of Association*, the *Rules of Procedure of the General Meetings of Shareholders*, the *Rules of Procedure*

of the Board of Directors, the *Independent Directors Work Rules*, and the working rules for each professional committee of the Board of Directors. We also formulated the *Nomination Committee Work Rules*, the *Remuneration and Assessment Committee Work Rules*, and other corporate governance systems, aiming to optimize the efficient corporate governance structure and continuously enhance governance capability.



Party Committee of Air China

Air China has integrated the Party's leadership with corporate governance together through the *Articles of Association*, and clarified the leading role Party committee played in corporate governance. The Company scientifically clarifies the scope of responsibilities for Party committee, and develops and dynamically adjusts a list of material issues' responsibilities to clarify the responsibilities of each governance subject, ensuring efficient and coordinated operation. It is specified that major operational and management issues must be preliminarily discussed by the Party committee before being submitted to the Board of Directors for decision-making according to their authority and the prescribed procedures. In 2023, out of 59 proposals decided by the Board, 40 were preliminarily discussed by the Party committee.

Continuously integrating the Party's leadership deeply into corporate governance

- Comprehensively and systematically review the major issues that the Party committee must study, promoting the "discussion of major issues" efforts within all secondary units.
- Strictly implement the Party committee's deliberation procedures, strengthen the coordination of the Party committee meetings, Administration office meetings, and the Board of Directors meetings to ensure high-quality guarantee for the Party committee's deliberation and decision-making.
- Diligently implement the deployments related to each special action, refine the governance to strengthen the Party's leadership-related deployments, clarify measures and deliverables.

Management

The Company's management performs its duties in accordance with the laws, the *Administration Office's Rules of Procedure*, and the Board of Directors' authorization. It carries out the Board of Directors' resolutions and reports to it on a regular basis. In 2023, Air China held 29 Administration Office meetings.

Board of Directors

The Board of Directors of Air China is the Company's main decision-making body, responsible for the Company's overall strategy, property management, internal supervision, and risk management. The Board of Directors bears the responsibility of determining strategic direction and formulating overall strategy and policies. It exercises its powers in accordance with legal procedures and the *Articles of Association*, and plays the role of strategy generating, decision-making, and risk-prevention. It is also accountable to the Shareholders' Meeting, supervises the management, and leads Air China towards steady development.



Diversity of Board of Directors

The members of Air China's Board of Directors are diverse and professional, including five civil aviation experts, and one each of financial, audit, business management, and legal and risk control expert. The diverse composition of the Board of Directors ensures that decision-making and supervision can be fully considered from various angles, providing comprehensive support and guidance for the development of Air China.

Directors in Air China

 <p>Ma Chongxian Chairman Executive Director</p>	 <p>Wang Mingyuan Vice Chairman Executive Director President</p>	 <p>Feng Gang Non-executive Director</p>	 <p>Patrick Healy Non-executive Director</p>	 <p>Xiao Peng Employee Director</p>
 <p>Li Fushen Independent Non-executive Director</p>	 <p>He Yun Independent Non-executive Director</p>	 <p>Xu Junxin Independent Non-executive Director</p>	 <p>Winnie Tam Wan-chi Independent Non-executive Director</p>	

Performance of Board of Directors

In 2023, the Board of Directors of Air China diligently fulfilled their responsibilities, supervised the proposal departments in tracking the implementation progress of Board resolutions and authorized matters, enhancing the Company's governance. In 2023, the Company organized three research activities for independent directors, focusing on the business department in the Japan, the Company's digital transformation, and subsidiary management.

By the end of 2023, the Air China Board of Directors held meetings	Reviewed and passed proposals	Listened to special reports
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11	59	13
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Independent Directors Visit to Sichuan Services Aero Engine Maintenance Company for Research

Professional Committees of the Board of Directors

Before the Board of Directors deliberates and makes decisions, professional committee meetings are convened to study and review related proposals. The chairpersons of the committees report the findings and recommendations of the independent directors to the Board of Directors, providing support for the Board's scientific, rational, and efficient decision-making. In 2023, we optimized the Company's governance structure by separating the Board's Nomination and Remuneration Committee into a Nomination Committee and a Remuneration and Assessment Committee. We also

optimized the staffing of the Board's various professional committees, establishing Coordinated Departments composed of senior management and business departments under the professional committees to support their decision-making. We continued to optimize the working rules of each professional committee of the Board, including supplementing and improving the ESG responsibilities and work content of the Strategic and Investment Committee, promoting effective connection and implementation of ESG regulation and the Company's ESG efforts.

<p>Strategic and Investment Committee</p> <p>In 2023, the Committee held meetings</p> <p>5</p>	<p>Listened to special reports</p> <p>2</p>	<p>Audit and Risk Control Committee (Supervision Committee)</p> <p>In 2023, the Committee held meetings</p> <p>6</p>	<p>Listened to special reports</p> <p>11</p>	
<p>Nomination and Remuneration Committee</p> <p>In 2023, the Committee held meetings</p> <p>6</p>	<p>The adjusted Remuneration and Assessment Committee</p> <p>Listened to special reports</p> <p>1</p>	<p>Held meeting</p> <p>1</p>	<p>Aviation Safety Committee</p> <p>In 2023, the Committee held meetings</p> <p>3</p>	<p>Listened to special reports</p> <p>2</p>

General Meetings of Shareholders

The General Meetings of Shareholders are Air China's highest authority. The Company has formulated and follows a shareholder communication policy, fully ensuring that all shareholders enjoy an equal status and effectively exercise their rights to information, voting, and other entitlements. Communication and interaction with shareholders are maintained and promoted through General Meetings of Shareholders, announcements, quarterly reports, roadshows, and other methods, to listen to, understand, and respond to shareholder feedback.

In 2023, Air China held General Meetings of Shareholder

4

The Supervisory Committee

The Supervisory Committee of Air China, in accordance with the laws and regulations such as the *Company Law of the People's Republic of China* and the *Articles of Association*, and other relevant regulations, has conducted prudent inspections and effective supervision over the legality and compliance of the duties performed by the Board of Directors and senior management, in order to protect the legal rights and interests of the Company and the shareholders. By the end of 2023, the Company's Supervisory Committee consisted of five supervisors, including 2 representative employees.

In 2023, the Company's Supervisory Committee held meetings

7

Guidance of Party Building

The year 2023 marks the start of fully implementation of the guiding principles of the 20th CPC National Congress. Air China, guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implements the guiding principles of the 20th National Congress to coordinate the key tasks throughout the year, leading high-quality development with high-quality Party building.

Firmly strengthen political construction. Go all out to cooperate with the second round of inspections by the 20th Central Committee; strengthen follow-up supervision and implementation of the Party Central Committee's decisions and deployments.

Adhere to theoretical learning. Carefully organize and implement two batches of thematic education to study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, solidly promoting the internalization and transformation of the Party's innovative theories in the new era to the construction of the company.

Optimize grassroots Party building work. Continue to standardize the setup of grassroots organizations, solidly advance the renewal of elections, carry out Party member development and education management, organize the annual commendation to honor outstanding members and organizations, and innovatively carry out learning activities.

Give full play to exemplary role. Establish a correct orientation for selecting and employing personnel, optimize the structure of the cadre team, and encourage cadres to take responsibility. Continue to deepen market mechanism reforms, fully stimulate enterprise vitality and momentum.

Adhere to rigorous governance. Ensure the principal and oversight responsibilities for full and rigorous Party self-governance are assumed, make integrated efforts to ensure that officials do not have the audacity, opportunity, or desire to become corrupt, and foster a sound political ecosystem featuring honesty and integrity within the Party.

Give full play to the unity of various groups and organizations. Fully play the role of intellectuals who are not Party members, strengthen the development of grassroots teams, and enhance the awareness uplifting of the youth.

Implementing Thematic Education on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era

Since April 2023, Air China had deeply carried out thematic education on learning and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. Adhering to the conduct of thematic education as a major political task, following the unified deployment of the Party Central Committee, we strengthened organization and publicity, organically integrating theoretical study, investigative research, high-quality development practice, rectification, and establishment of regulations in a unified manner, making solid achievements through learning.

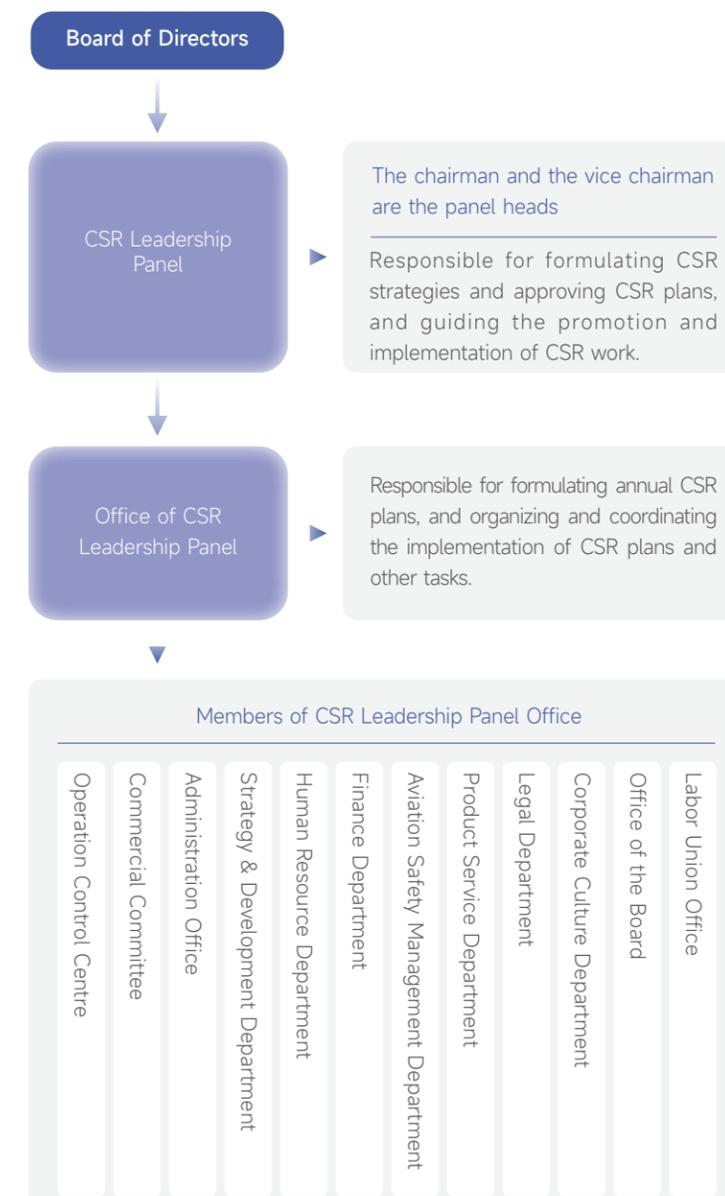


The matic Education Mobilization Conference

Social Responsibility Management

A sound social responsibility governance system is the fundamental guarantee for a company to achieve sustainable development. Air China practices a robust business philosophy, consistently enhances the social responsibility governance system, and integrates environment, social, and governance (ESG) into the decision-making and daily operations. This maximizes effectiveness, genuinely safeguards the interests of investors and other related parties, and efficiently and continuously advances the implementation of Air China's social responsibility initiatives.

Social Responsibility Management Framework



Stakeholder Communication

Air China continues to listen voices of regulators, shareholders, passengers, employees, partners, and other stakeholders, and expands and optimizes communication channels so that it can communicate and exchange ideas with all of its stakeholders in a positive and open manner. We identify critical issues and actively respond to the needs of all stakeholders by comprehensively summarizing the Company's characteristics and changes in the external environment.

Information Disclosure

The Company successfully completed the compilation of Air China's periodic reports for 2022-2023 in three versions (i.e., for Shanghai, Hong Kong, Japan, respectively) and the 2022 Social Responsibility Report, and disclosed them on the stock exchanges in Shanghai, Hong Kong, London, and Japan respectively.

In 2023, disclosures included announcements on the listing and circulation of non-publicly issued restricted shares, amendments to the *Articles of Association*, the rules of the General Meetings of Shareholders, the rules of the board of directors' meeting, and other matters.

By the end of December 2023

We had disclosed interim domestic announcements

67

Interim overseas announcements

68

Circulars

2

Investor Relations

The Company conducts performance releases effectively. We utilize annual, semi-annual, and quarterly performance briefings to seriously address investor concerns.

The Company fully focuses on the demands of small and medium investors. Within the year, annual, semi-annual, and third-quarter performance briefings were held via the SSE Roadshow Center platform, where the Company's management interacted extensively with small and medium shareholders online. We strengthen interaction with small and medium investors through platforms such as SSE E-Interactive, and the investor relations page on our official website.

The Company maintains close communication with investors. In conjunction with the annual report disclosure, Company leaders personally led teams to visit over 30 important institutional investors, resuming face-to-face exchanges with overseas markets that had been interrupted for more than three years. Domestically, we visited 26 key institutional investors in Shanghai, Shenzhen, Guangzhou, and Beijing. Moreover, we participated in investment bank, institutional, and brokerage summits and strategy meetings, arranged, and hosted domestic and international institutional research.

Throughout the year, we hosted and convened research sessions and various communication meetings over

100

Stakeholders	Communication channels	Expectations and appeals	Response from Air China
 Government/Domestic and overseas regulatory authorities	Work meetings and briefings Information disclosure Cooperation with governments Release of blue books	Integrity, compliance and orderly operations Support for important and major events Zero accident relating to safety operations Good corporate image Energy saving, emission reduction and environmental protection	Participating in the planning, research and formulation of policies and reports on special topics Following regulatory requirements Acceptance of supervision and assessment
 Investors/Shareholders	Information disclosure Shareholders' meetings Investors' meetings Official website of the Company	Realizing standardized corporate governance Protection of investors'/shareholders' interests Sustainable development ability	Improving corporate governance and internal control system Working on investor relations Strengthening the core competitiveness Regular result announcements
 Customers	Customer satisfaction surveys Compliant handling New media	Flight safety and on-time performance Provision of all-round and high-quality service Protection of personal privacy	Establishing branded lounges Certification of food safety management Provision of intelligent service Improving release mechanism for information on irregular flights Protecting passenger information
 Employees	Employee satisfaction surveys Internal BBS, magazines, emails, and WeChat Employee representatives' meetings Activities of the trade union Establishment of teams	Protection of rights and interests Focus on the Company's development strategy Participation in the Company's management and operation Smooth career pathways Compensation and benefits	Building a multi-level developing channel and learning path for talents Facilitating the work of Staff Service Centre Providing health checkups, psychological counseling, etc. Innovation studios for advanced model and craftsmen Cultural and sports activities Skill contests Helping employees in difficulty
 Partners/ Suppliers	Daily business interactions Partners' meetings	Honesty and integrity in business operation Transparency in procurement Mutual development	Strengthening communication and cooperation Strengthening supplier management Revising and improving procurement policy Strengthening suppliers' capability and awareness of environmental protection
 Peers	Industry forums Industry conferences	Attention to industry development and trends Maintenance of a fair and orderly market	Strengthening alliance cooperation Conducting industry discussions Carrying out industrial cooperation
 Community	Public welfare and charity activities Volunteer service	Promoting economic growth of the communities Supporting public welfare events	Promoting rural revitalization Engaging in public welfare and charity activities Completing important transportation tasks
 Media	Press releases Media calls and visits Official new media platforms	Responding to important events of the Company Public image and influence Future planning	Publication of CSR reports and regular performance reports Timely update of new developments via Weibo, WeChat and Douyin Open day

Reporting Principles

Disclosure Principles



Materiality

Following national conditions and policies and in accordance with the relevant regulatory requirements, such as the *ESG Reporting Guide* released by the Stock Exchange of Hong Kong and *Guide for Environmental, Social Responsibility, and Corporate Governance Information Disclosure of Listed Companies on the Shanghai Stock Exchange*, the *Measures for Compliance Management of Central Enterprises* and the *Work Plan for Improving the Quality of Listed Central State-Owned Enterprises* and the *Research on the Compilation of ESG Special Reports by Central State-Owned Enterprises* issued by China's State-owned Assets Supervision and Administration Commission, Air China has identified material CSR issues that are consistent with its industry and business features. Then, reviewing through benchmarking with peer companies and stakeholder communications, we establish the list of material CSR issues with our characteristics.

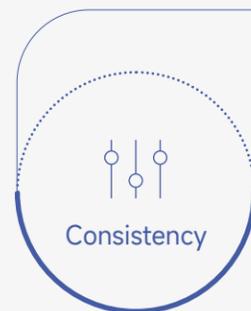
In 2023, to ensure the accuracy and comprehensiveness of Air China's social responsibility material issue matrix, we assessed the original list based on changes in peer issues and trends in capital market issues. After evaluation, adjustments to Air China's 2023 material CSR issues include: removing "ESG Governance," changing "Integration into Local Communities" to "Charity and Community Engagement", "Care Policies for Employees" to "Employee Care, Remuneration, and Benefits," "Energy Conservation and Emission Reduction" to "Climate Change Response and Carbon Reduction," "Pollution Prevention" to "Pollution Prevention and Waste Management," merging "Protection of Employees' Rights and Interests" and "Communication with Employees" into "Communication with Employees and Protection of Employees' Rights and Interests," and combining "Internal Risk Control" and "Lawful Operation and Compliance" into "Risk Management and Compliant Operations." After management review, 24 material issues were finalized, with key responses made to highly material issues in the report.

In 2023, to improve targeted disclosure of the social responsibility report, Air China conducted surveys among internal and external stakeholders to better understand their recommendations and viewpoints on the development of the Company from two dimensions: "Importance to the Company" and "Importance to Stakeholders." This process ultimately resulted in the identification of material CSR issues matrix for Air China in 2023.

Air China has created a set of standardized ESG indicator management tools that cover the Company's management support division, business management units, branches, and major subsidiaries. Air China collects key indicators of quantitative disclosure in all environmental and social categories in accordance with the ESG reporting guidelines on a regular basis, and summarizes them at the end of each year and discloses. The calculation method and details of the reference standards of the quantitative data in this report's environmental categories can be found in the report's chapters.



Quantitativeness

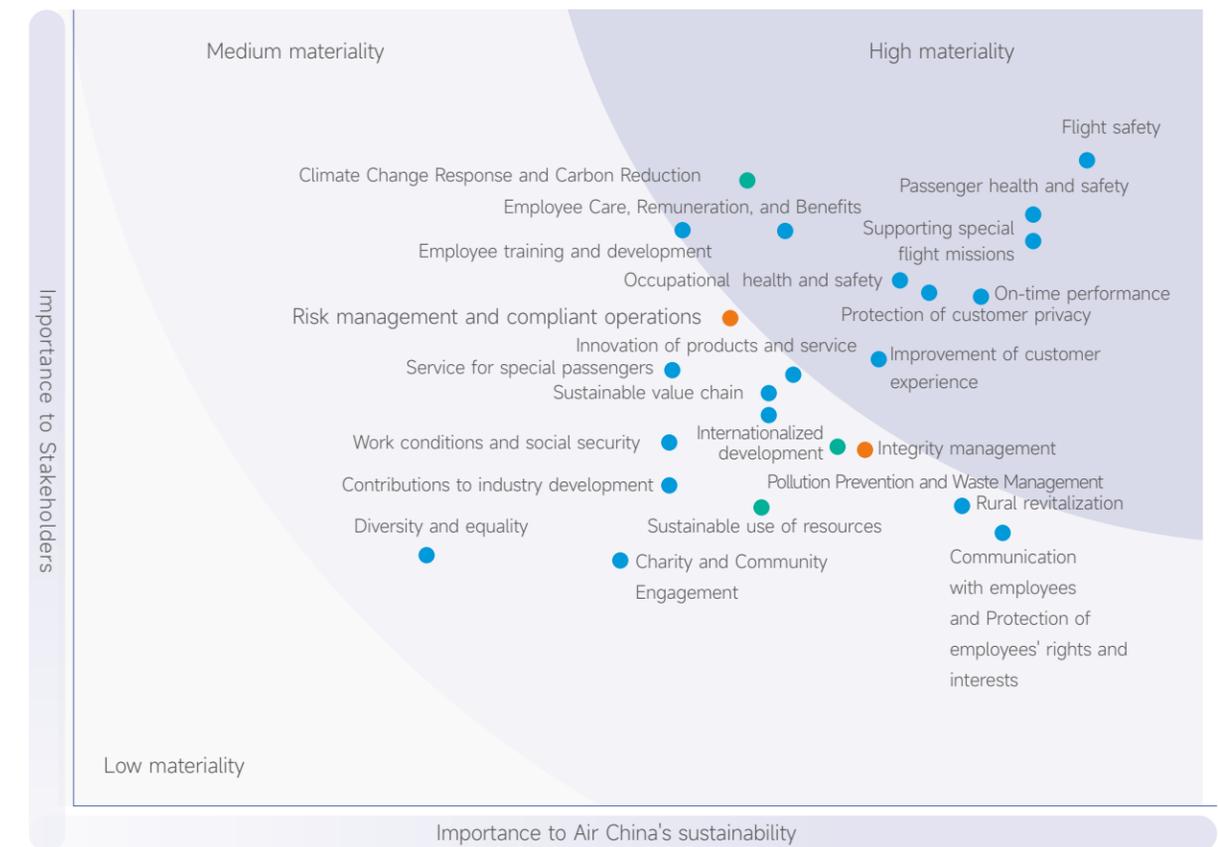


Consistency

This year's report includes Shandong Aviation Group Corporation, for the first time in the disclosure scope, maintaining consistency in data calculation and disclosure methods with other entities involved in this report.

Materiality Analysis and Determination of Air China

High materiality	Medium materiality
Flight safety	Communication with employees and Protection of employees' rights and interests
Passenger health and safety	Sustainable use of resources
Supporting special flight missions	Rural revitalization
On-time performance	Service for special passengers
Protection of customer privacy	Integrity management
Occupational health and safety	Work conditions and social security
Employee Care, Remuneration, and Benefits	Innovation of products and service
Improvement of customer experience	Pollution Prevention and Waste Management
	Risk management and compliant operations
	Contributions to industry development
	Climate Change Response and Carbon Reduction
	Employee training and development
	Charity and Community Engagement
	Sustainable value chain
	Internationalized development
	Diversity and equality



Air China's Material ESG Issue Matrix

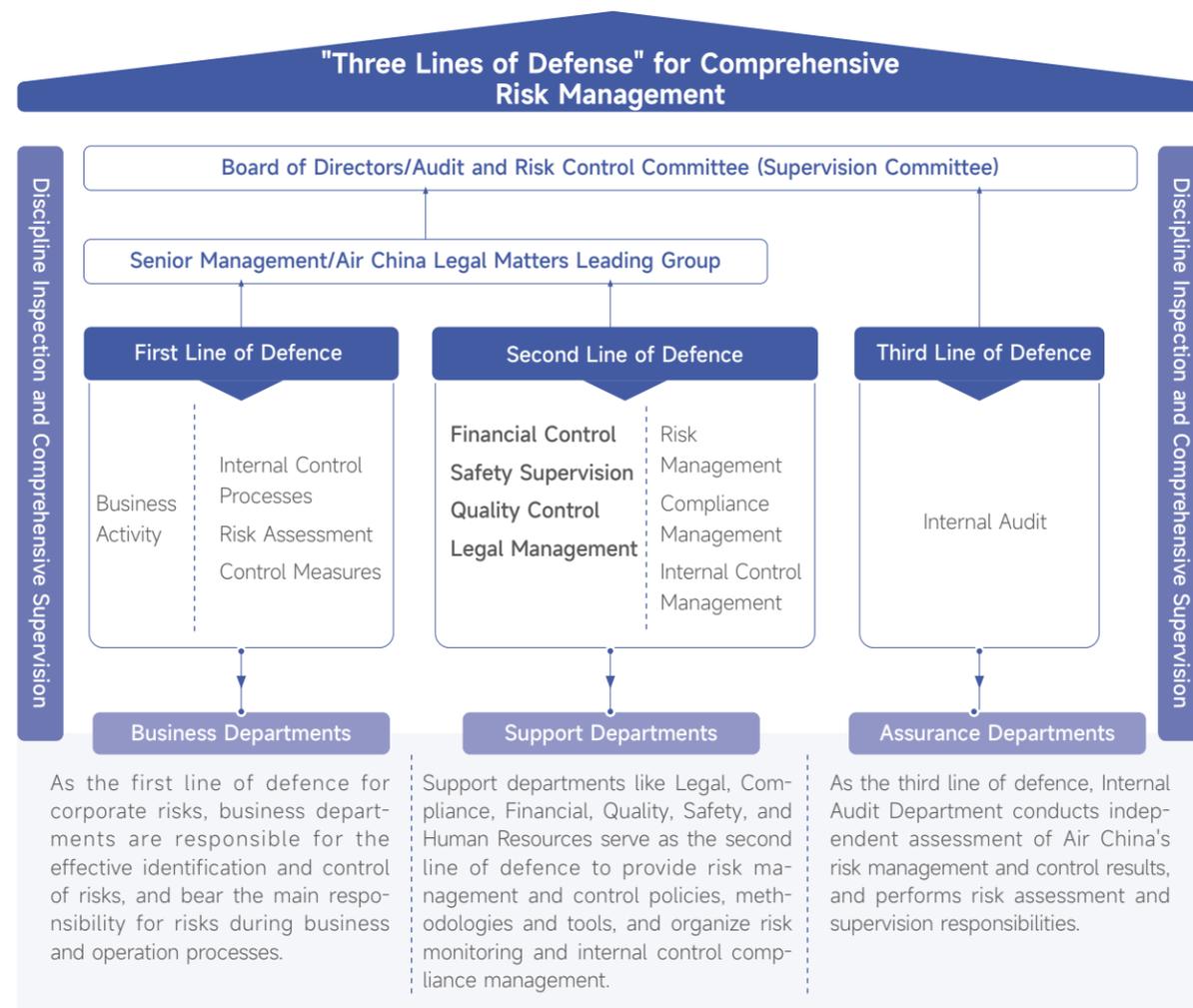
● Society ● Governance ● Environment

Comprehensive Risk Management

Air China continues to deepen the integrated collaboration mechanism of "focusing on the rule of law, strengthening internal control, preventing risks, and promoting compliance," accelerating the implementation of full-process, full-chain, and comprehensive risk prevention and control efforts, and comprehensively strengthening the management and prevention of operation and safety risks.

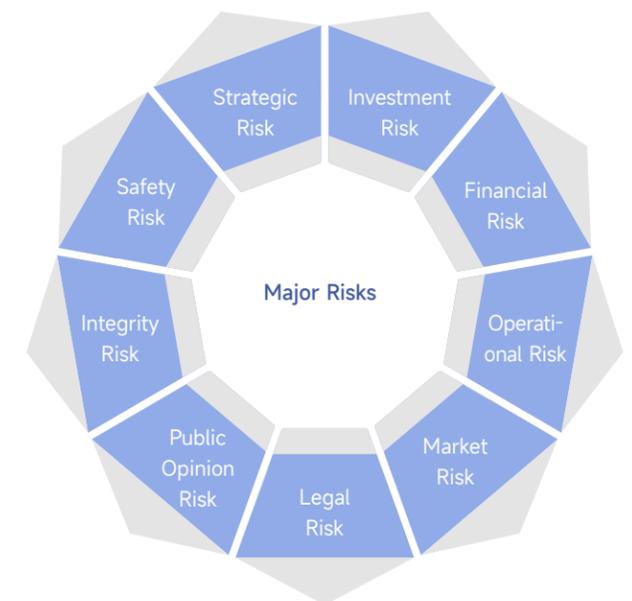
Risk Management

Air China is committed to building a risk control and compliance system that meets regulatory requirements and international standards, establishing a standardized top-level risk control and compliance framework, clarifying the division of responsibilities for risk control and compliance work, and implementing control responsibilities. The Board of Directors is fully responsible for the Company's risk control and compliance efforts, with the Party Committee of the Company in charge of the pre-research and the Management in charge of superintending the development and implementation of various requirements. The Air China Legal Matters Leading Group coordinates the development of risk, internal control, compliance, and legal affairs, clearly implementing a prudent risk preference, with "zero tolerance for safety hazards, uninterrupted financial security, and reasonable risk exposure" as the core, constructing three lines of defense for risk control and compliance management.



Risk Identification

Air China, in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and other relevant laws and regulations, as well as international and industry experience, has developed the *Risk Framework*. This framework categorizes risk into 9 major primary risk categories and further subdivides these into over a hundred secondary risks in alignment with actual business operations, ensuring the effective functioning of Air China's risk identification and control responsibilities.



Risk Reporting and Management

Air China has implemented the *Risk Level Standards* and the *Risk Event Reporting System* to facilitate the reporting of daily operational risks. Any employee, who identifies and preliminarily assesses a risk level, has the responsibility to report it up the chain according to the principles of risk management at each level. Any person responsible for a risk within the company should monitor the risk regularly, according to the Company's or the risk supervisor's requirements, the inspection frequency, or the actual work situation, and report the monitoring results to the risk supervisor.

Risk Control and Tracking

Air China continues to improve the risk management mechanisms, regularly identifying, analyzing, and assessing potential market, financial, legal, and other risks in operational management, and actively formulating and implementing risk response actions.

Ensure a solid risk research and judgement mechanism: adhere to governance and decision-making processes, assess annual material risks through in-depth research and specialized diagnostics, and apply comprehensive measures; enhance the precision of risk quantification by quantifying key risk indicators, categorizing and grading significant risk issues for rolling monitoring and closed-loop management; implement an annual mechanism for the normalization of overseas legal compliance risk checks, emphasizing the control of foreign legal compliance risks.

Extend the risk assessment mechanism for decision-making: Prioritize compliance to ensure all significant decision-making risks are evaluated comprehensively, actively prevent and mitigate risks; integrate risk assessment deeply into reform and development, core tasks, and major project management.

Develop a robust risk prevention and control coordination mechanism: Management should supervise the progress of key tasks, focus on evaluating challenges in risk and control management, and share best practices; Continuously strengthen the information sharing mechanism among risk control compliance, discipline inspection, and audit functions to build the "three lines of defense" in risk prevention within collaborative management.

Comprehensively consolidate the risk prevention and control responsibility mechanism: Implement strict risk classification and layered management, ensure responsibility for risk reduction is clearly assigned to specific positions and individuals, and enhance the ability to manage risk throughout the entire process.

Corporate Compliance

Strictly adhering to the *Measures of the Compliance Management* issued by China's State-owned Assets Supervision and Administration Commission (SASAC), as well as related laws and regulations, Air China has introduced internal compliance management systems such as the *Compliance Management Regulations of Air China Limited*, the *Compliance Code of Conduct of Air China Limited*, the *Management Measures for Overseas Compliance of Air China Limited*, solidifying the foundation of the compliance management system.

Air China continuously improves a compliance management system and conducts multiple corporate compliance practices to enhance the corporate compliance management from various aspects.

Highlight Compliance Activities in 2023

On September 1, 2023, the Company launched the "Legal Awareness" publicity column.

During the "Compliance Awareness Month" in 2023, compliance promotional videos were circulated, compliance micro-classes in key areas were launched online, and the "Explain Laws with Pictures, Follow Rules in Practice" activity was conducted.

Implementation of the "Eighth Five-Year" legal awareness promotion plan, organizing themed legal culture speech contest.

Development of online training courses on contracts and the creation of targeted risk control training materials for newly integrated enterprises and mixed-ownership listed enterprises.



Internal Audit

To comply with regulatory requirements and corporate governance needs, Air China has established a three-tier internal audit system framework. Currently, Air China's headquarters has issued 17 rules, and the audit institutions at all levels have issued a total of 66 rules.



The Company's internal audit work is carried out under the management and guidance of the Board of Directors and the Audit and Risk Control Committee (Supervision Committee), reporting on the progress of projects, the implementation of problem rectifications, and the pursuit of responsibilities for violations in investment and operations. In 2023, audit institutions at all levels conducted 100 audit projects in four categories: economic responsibility audits, special audits, engineering project audits, and internal control supervision evaluations, including one energy conservation and emission reduction audit project. Moreover, through the rectification closure mechanism, we strictly enforced the rectification of identified issues, advancing the improvement of systems and business processes, adjustments to accounting entries, recovery of irregular funds, and recuperation of economic losses.

Anti-Corruption and Business Ethics

Air China adheres to domestic and international laws and regulations, conducting the business activities in a legal and compliant manner. Based on the *Supervision Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and *Anti-Unfair Competition Law of the People's Republic of China*, Air China has developed and issued documents such as the *Compilation of Antitrust Cases in the Aviation Industry*, the *Anti-Commercial Bribery Compliance Manual (2022 Edition)*, and the *Compliance Manual for Data in Various Jurisdictions (2022 Edition)*, adopting a "zero tolerance" stance towards bribery, corruption, fraud, money laundering, and unfair competition. In 2023, Air China was not involved in any lawsuits related to corruption, bribery, fraud, or money laundering.

Anti-Corruption System

Air China continues to maintain integrity and combat corruption by improving anti-corruption mechanisms, conducting multiple anti-corruption activities or training, optimizing channels for letters and visits, as part of the efforts to safeguard the healthy development of Air China's business. In 2023, Air China strengthened the development of the anti-corruption system, deepened the integrity of the management, and implemented the *Regulations on the Integrity Commitment of Leadership of Air China Limited*.

Supervision Mechanism

"Joint Supervision" Committee

The Company adheres to the "bi-monthly meeting, quarterly summary" mechanism for members of the Company's joint supervisory committee, coordinates various internal supervision resources and forces, strengthens regular supervision of areas prone to corruption issues, and forms a pattern of anti-corruption work where responsibilities are clearly defined and efforts are unified and coordinated.

Anti-corruption Work Leading Group and Coordination Group Working Mechanism

The Company leverages the synergistic effect of anti-corruption supervision by holding meetings of the leadership group and coordination group for integrity building, and anti-corruption efforts, making deployments and arrangements for improving the mechanism for transferring clues and sharing supervision information.

Supervision and Inspection Practices

To implement the requirements of anti-corruption policies, Air China issued the *Supervision, Inspection, and Assessment Plan*, advancing anti-corruption monitoring practices among relevant units and strengthening supervision. In 2023, Air China focused on key areas to enhance integrity risk prevention and control, carried out special rectifications, organized special supervision and inspection activities, and conducted joint supervision and inspection of integrity risks and compliance controls at Air China's overseas branches, deeply advancing cross-border corruption governance.

Develop and establish the *Assessment Methods* and the *Detailed Evaluation Criteria* for the primary responsibility of building a cleaner government.

Through coordination of audit and inspection department, simultaneously carry out one special inspection, one special audit, and seven special supervision and inspection activities.

Moreover, we issued the *List of Enterprises Prohibited from Transactions (2023)* and imported it into the procurement platform system to strengthen the integrity management requirements for suppliers, ensuring the integrity and compliance of procurement.

Public Compliant Work

Air China has continued optimizing the public compliant system, adhering to the *Implementation Rules for the Handling of Letters and Visits of Air China Limited (for Trial Implementation)* and establishing various channels for public compliants including letters, telephone, and internet. Moreover, all malpractices of threatening, attacking, or retaliating against whistleblowers has been prohibited, earnestly protecting their rights from infringement. In 2023, various levels of disciplinary inspection organizations within Air China processed complaints and reports according to regulations, handling them promptly and in an orderly manner.

Whistleblower Protection Initiatives

- The whistleblower's name, employer, address, the content of the public compliant and other relevant information must be strictly kept confidential.
- It is strictly prohibited to inform the public compliant materials and the whistleblower information to the reported organization or personnel.
- Public compliant receipt or verification efforts should be carried out without revealing the identity of the Whistleblower.
- The whistleblower's personal information such as name and employer should obtain the consent before publicizing.

Anti-corruption Training and Activities

To cultivate a clean business environment and deepen the roots of a clean culture, Air China formulated the *2023 Clean Education Work Plan* for the Company, conducting integrity training for all employees. Additionally, Air China continuously expanded the types of integrity training, developing the *Reference Catalog of Integrity Education Training Courses* and the *Comprehensive List of On-site Teaching Resources for Integrity Education* to diversify educational forms.

Anti-corruption Training at Air China

- 1 Launched the fourth "Promotion and Education Month of Integrity Development", and held a warning education conference.
- 2 Carried out the "Sending a Family Letter on Integrity" activity to encourage discipline inspection members to maintain their integrity.
- 3 Organized the viewing of trial videos and special educational films about anti-corruption.
- 4 Launched the "Discipline and Law Micro-Lecture" column on our WeChat Official Account "Clean Air China", and published four issues of discipline and law education materials and 20 articles on discipline and law knowledge analysis.
- 5 Organized the final selection and publication activity of the 2023 excellent cases of clean culture development, strengthened the application of achievements in the development of culture on integrity, and compiled and published the *Collection of Excellent Cases*.
- 6 Established a bi-weekly supervision mechanism for issues identified by the Party committee, regularly supervising and implementing rectification.
- 7 Focused on the practical work of discipline inspection to conduct specialized training, with a total of 845 person-times by discipline inspection members at all levels of Air China throughout the year, constantly enhancing the capability of discipline inspection members to perform their duties in accordance with regulations and laws.
- 8 In 2023, departments of Air China conducted a total of 2,426 warning education activities, covering 101,400 person-times; organized learning of relevant laws and regulations 2,022 times, covering 94,600 person-times; held 1,047 activities on the theme of clean culture development, covering 61,900 person-times; organized thematic promotion activities of the Company's tradition for 1,378 times, covering 86,600 person-times, with the total activities covering more than 360,000 person-times.

Advancing Technological Innovation

Air China continuously optimizes the technological innovation management mechanisms. By strengthening its own innovation capabilities and increasing R&D investment, the Company has attracted a large number of high-quality innovative talent. Currently, Air China's technological innovation efforts have successfully transitioned from the system establishment phase to a stage that places greater emphasis on enhancing efficiency. In 2023, Air China's R&D investment reached RMB 409 million, accounting for 0.29% of its revenue.

Air China has established a "3+9" innovation laboratory/engineering technology center system, dedicated to creating an innovation platform focused on the forefront of civil aviation technology and the frontline needs.

The innovation work management platform has been launched, covering horizontally three major innovation channels: innovation laboratories/engineering technology centers, mass participation innovation, and innovation bases. It vertically spans the entire project lifecycle management from idea collection to the transformation of innovative results. This platform provides strong support for Air China's optimized configuration, efficient operation, and collaborative progress in the innovation ecosystem.



Air China actively advances the application of the BeiDou Navigation Satellite System in civil aviation, marking the first demonstration of aircraft tracking and monitoring based on BeiDou positioning and short message communication.

In collaboration with the Commercial Aircraft Corporation of China, Ltd. (COMAC), Air China advances the modification of the ARJ21 series aircraft derivatives, accelerating research and innovation in onboard equipment, and supporting the development of China's domestic passenger aircraft.

Air China at the 2nd National Craftsman Innovation Exchange Conference

The 2nd National Craftsman Innovation Seminar and National Craftsman Forum was held in Beijing from July 28th to 30th. Air China presented "Aircraft Cross Fueling System", "Air China In-flight Network Service", "Air China Cultural and Creative Products", among other 7 innovations, making a splendid appearance at the conference.



The Air China's Display Counter at the Seminar

Air China's First "Maker Boot Camp" Training Event

On April 10, 2023, Air China's first "Maker Boot Camp" training event kicked off at the Civil Aviation Management Institute of China. The participants were representatives from the top ten project teams of the Company's innovation competition and the "Creative Imagination" semifinal project teams. Over the four days, the participants engaged in various learning activities, including theme lectures, group discussions, team building, external visits, and exchange talks. The boot camp invited 10 experts in the field of innovation to discuss and refine the top ten projects of the innovation competition, aiming to support the innovative teams in competing for a place in the finals.



Maker Boot Camp Training Event

Finals and Innovation Award Ceremony of the First Innovation Competition

Air China's first Innovation Competition was warmly embraced by young employees with their outstanding innovative projects focusing on solving challenging problems in production. This Innovation Competition not only discovered grassroots innovative talents from frontline departments, such as operations, service, marketing, and other areas, but also injected new vitality into the Company.



Group Photo of the First Innovation Competition Finals and Innovation Award Ceremony

The Ground Service Department Successfully Hosted "Innovation Open Day for Young Employees"

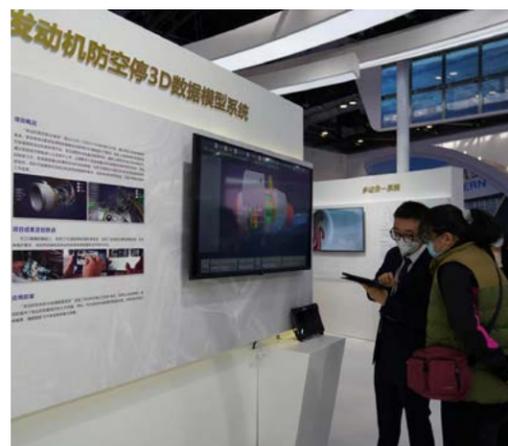
On September 21, 2023, the Ground Service Department, in collaboration with the Ground Service Innovation Lab, organized a youth-focused event themed "Innovation Open Day." Thirty young representatives from various operation centers and management support departments actively participated in this event. We guided the youth to deeply understand the power of technological development through on-site training, sharing sessions by young innovative talents, and thematic visits. We encouraged them to actively engage in innovation and creativity, and become the main driving force behind the Company's high-quality development.



"Innovation Open Day for Young Employees" Activity

Air China at the Second Civil Aviation Science and Education Innovation Achievements Exhibition

The Second Civil Aviation Science and Education Innovation Achievements Exhibition opened at the China National Convention Center on March 23, 2023. Themed "Smart Navigation Knows No Borders", Air China's exhibition covered various areas including management innovation, business model innovation, product innovation, technological innovation, and service innovation. It showcased 21 innovative achievements in smart travel, aircraft maintenance, environmental protection, technology support, and brand building. This fully demonstrated Air China's commitment to implementing the new development philosophy, pursuing the innovation-driven development strategy, enhancing independent innovation capability, and promoting the deep integration of innovation chains, industrial chains, and service chains.



The Innovative Achievements Air China Showcased at the Exhibition

Digital Transformation

Air China adheres to safety operations as the bottom line, passenger service as the core, and management coordination as the foundation. The Company advances the implementation of the *Digital Transformation Action Plan (2022-2025)*, deeply enhancing the development of three major digital platforms, advancing the integration of business and technology, facilitating the connection of business processes throughout, continuously deepening the Center of Excellence mechanism in various fields, and comprehensively supporting the Company's digital transformation.

Digital Safety Operation Capability Building

- Air China has fully advanced the development of an operational monitoring platform, establishing an all-element, full-chain operational monitoring and special situation handling capability. This includes the completion of 246 functional developments and the integration of 166 data sets. Moreover, the Company has established a flight plan backup capability, with the flight plan creation function seamlessly replacing the SITA flight plan system. Air China has also successfully replaced the CAAC Information Technology SOC loading module, marking the Company's first step towards autonomy in critical operational products. In addition, Air China has launched the FlySmart mobile application, achieving digital display and performance analysis of flight manuals. The Company has also been deeply involved in civil aviation data sharing and became one of the first airlines to go live with airport support data.
- Focused on improving the efficiency of the flight crew operation resource allocation, the Company has launched the SOC-AC customization function. The Company has also enhanced over 160 functions of the SOC peripheral integration system, with a focus on the special modification work of the three-tier rest area, releasing an average of 30,000+ business class seats per month. Air China has promoted the security air-ground linkage system to achieve full coverage of air security information. In the Guangdong branch, the pre-flight direct preparation application has been launched to safely and efficiently support pilots' on-site preparation efforts.
- Focused on enhancing ground operation support capabilities, Air China has advanced the deep application of the ground support platform at the headquarters level, continuously expanding production scenarios and delivering 32 high-value projects. The Company has also completed the establishment project for the vehicle operation monitoring platform.
- Aimed at enhancing aviation safety support capabilities, Air China has reconstructed the aviation safety management platform, integrating multi-domain safety management businesses. This effort has connected the full process of flight safety management, achieved data sharing, and initiated platform technical consultation and implementation plan formulation.

Digital Marketing Service Capability Building

- Air China has fully advanced the second phase of business innovation, achieved full-channel travel management, diversified product management and sales, supported mixed payments and refunds, supported various marketing activities, and undertaken call center restructuring. The first phase is ready for launch, and the second phase of development work has been completed.
- Focused on enhancing marketing and operational capabilities, the Company has optimized the "published fare" product, launched new international brand fares, and achieved tiered domestic FareFamily rates to help the Company turn losses into profits. Air China has also established a customer ecosystem, iterated and optimized functions of the Points Exchange platform, Customer Relation Management system and Universal Air Travel Plan system, and built an external network agent service platform.
- Aimed at improving passenger service quality, Air China has comprehensively advanced the system establishment in the entire process of passenger services, launched the facial recognition function in the Hangzhou lounge, piloted the catering reservation system, and completed passenger service improvement and management enhancement tasks for the passenger notification project. The Company's baggage full-process tracking system has provided baggage inquiry services for 53 stations. Air China has also extended the service knowledge base to 13 units, and its self-service itinerary printing function has saved RMB 5.2608 million in mailing costs.

Digital Collaborative Control and Innovation Capability Building

- Air China has advanced the establishment of the Air China Network Academy platform, integrating the entrance to the online learning platform, and solving the problem of insufficient coordination in online training.
- Air China has promoted the capital management system to provide significant system support for meeting the final verification of the central enterprise's treasury system construction in 2024. The Company has also advanced the development of the tax management project, launched the invoice management subsystem, enhancing the invoice delivery capability and service efficiency at the business front end. In addition, Air China has deepened the application of the procurement management platform, effectively supporting the implementation of new business.
- Focused on improving internal control and regulatory services, the Company has launched an overseas safety guarantee emergency command system. It has completed 13 tasks for enhancing the functionality of the state-owned assets supervision system, organized and conducted the first phase acceptance inspection of the special action by the State-owned Assets Supervision and Administration Commission, achieving an "excellent" evaluation. In addition, the Company has launched the investment management system to achieve full life-cycle control and integration of investment information. The Company has also advanced the development and implementation of the electronic signature management system to advance the intelligent management of contracts.
- Air China has deepened the application of Wing of Air China, focusing on supporting production and collaborative domain functionality enhancement, with 170 online light applications at use.

Air China's Digital Innovation Project Recognized as the "Top Ten Typical Scenarios of National Enterprise Digital Application"

On September 5, 2023, Yan Simeng, the Chief Information Officer of Air China, led a team to the First National Enterprise Digital Application Ecosystem Conference at the China International Digital Economy Expo 2023. Air China's project on "Digital Assessment of Large Aircraft Flight Trajectories and Energy Patterns" was recognized as one of the "Top Ten Typical Scenarios of National Enterprise Digital Application" and was included in the "2023 National Enterprise Digital Application Scenarios and Solutions".



The First National Enterprise Digital Application Ecosystem Conference at the China International Digital Economy Expo 2023

Intellectual Property Rights Protection

Air China places great emphasis on the protection of intellectual property rights, strictly adhering to a series of international conventions, laws, and regulations including the *Trademark Law of the People's Republic of China*, the *Regulations on the Implementation of the Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Regulations on the Implementation of the Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Madrid Agreement Concerning the International Registration of Marks*. On this basis, Air China has developed the *Legal Affairs Management Regulations of Air China Limited* and the *Intellectual Property Management Measures of Air China Limited*, establishing a sound intellectual property management system to advance IP protection efforts.

Air China actively applies for IP rights both domestically and internationally, enhancing the protection of various types of intellectual property including trademarks, patents, and copyrights.

As of the end of 2023

Number of patents owned by Air China both domestically and internationally more than

320

Registered trademarks more than

2,770

Copyrights

15



Responsible Supply Chain

Enterprises along the upstream and downstream of the supply chain are not only Air China's partners but also crucial stakeholders. We highly value the interests of enterprises within the supply chain and incorporate the management of their quality, compliance, and environmental sustainability into our own management system.

Supply Chain Quality Management

Air China is committed to building a "lean, collaborative, international, intelligent, green" supply chain, strictly adhering to the *Bidding Law of the People's Republic of China*, and the *Regulations on the Implementation of the Bidding Law of the People's Republic of China*, and other laws, regulations and industry standards, continuously enhancing the Air China procurement management system. In 2023, Air China further improved supply chain-related management, revising the *Supplier Management Regulations of Air China Limited* and the *Procurement Business Inspection Management Regulations of Air China Limited*, issuing the *Procurement Management Platform Operation Management Regulations of Air China Limited*, establishing a comprehensive management

mechanism for the entire supply chain process and elements, clarifying the establishment of management systems at each link, and building a sound supplier ecosystem.

Air China pays attention to the environmental and social impacts of suppliers and integrates the concept of sustainable development into supplier management. Together with suppliers, we explore the basic principles of sustainable operation based on national and industry standards, including but not limited to employee rights protection, health and safety, anti-child and forced labor, business ethics, and environmental protection.



Supplier Admission Rules	Supplier Selection and Evaluation Methods	Supplier Exit Management
<ul style="list-style-type: none"> Based on the <i>Supplier Management Regulations</i>, different entry and review requirements are determined for suppliers of different admission types, including verifying suppliers' valid qualifications and matching service capabilities. Moreover, we pay attention to suppliers' performance in service experience, business ethics, environmental and social responsibilities, etc. Establish a qualification conformity review team to strengthen the verification of suppliers' compliance, avoiding the introduction of suppliers that have been blacklisted. Require suppliers to sign the <i>Letter of Supplier Commitment Against Commercial Bribery</i>. 	<ul style="list-style-type: none"> Ensure full and fair competition among suppliers in the management of supplier, with operational processes meeting risk control and compliance requirements. Develop daily performance assessment indicators for suppliers based on the <i>Supplier Performance Monthly (Quarterly) Statistics Table</i> to ensure an objective and accurate reflection of the comprehensive capability performance of cooperating suppliers. Implement supplier tiered management, including five levels: strategic, preferred, qualified, restricted, and exit. Establish a supplier information database to manage suppliers effectively in a standardized manner. 	<ul style="list-style-type: none"> Regularly summarize and categorize supplier performance evaluation results from the perspectives of product quality, service capability, and delivery capacity, and publish the evaluation results through the supplier management system. Adjust the supplier level based on the evaluation results, terminate cooperation with suppliers who continuously perform poorly in evaluations, and implement an exit mechanism.



Compliant Management of the Supply Chain

Air China actively responds to the anti-corruption initiative for suppliers, formulating and issuing systems that cover all suppliers, such as the *Supplier Management Regulations of Air China Limited*, which clearly regulate supplier behavior and adopt a zero-tolerance stance towards corruption. Air China emphasizes compliant operations, requiring suppliers to actively fulfill their anti-corruption commitments to ensure the integrity and transparency of business activities, and collectively maintain the integrity and efficient operation of the supply chain. During the reporting period, all Air China suppliers have signed the *Letter of Supplier Commitment against Commercial Bribery*.



Green Procurement

Air China adheres to environmental protection principles in the procurement, giving priority to raw materials, packaging, equipment, and office supplies that have a minimal environmental impact. The Company encourages suppliers to consistently improve their environmental management and reduce the ecological footprint of the supply chain. The *Notice on the Implementation of Green Procurement* covering all departments and subsidiaries, outlining the principles of green procurement to guide employees in their purchases.

Work Principles

- ◆ Under the premise of ensuring procurement compliance, Air China fully considers environmental benefits, giving priority to environmentally friendly, energy-saving, low-consumption products that are easy for resource recycling, achieving a balance between economic and environmental benefits.

Procurement Control

- ◆ Procurement application phase: Fully consider factors such as energy saving, emission reduction, environmental protection, and sustainable development; use eco-friendly alternatives for prohibited, restricted plastic products, and products with high pollution, emissions, and energy consumption; for projects involving technical transformations related to energy saving, emission reduction, and pollution prevention, third-party audits must be completed.
- ◆ Project research phase: Based on the project research, comprehensively consider production needs, economic benefits, and environmental impacts to determine procurement objectives and the principles, standards, and scope of supplier selection.
- ◆ Review and admission phase: Strictly review suppliers for compliance with legal environmental requirements and qualifications.
- ◆ Procurement document preparation: Review forms should include energy-saving and environmental protection factors, such as product eco-label certification, energy-saving certification, and environmental management system certification.

Performance Evaluation

- ◆ Environmental protection is a key factor in supplier performance evaluation. Based on assessment results, suppliers are classified and managed, encouraging suppliers to continuously improve their environmental management.

Air China Completes Replacement of In-flight Supplies Listed in the Plastic Phase-out Inventory

Following a comprehensive plan and unified deployment, Air China and Zhongyi Aviation Investment Co., Ltd. (Zhongyi) conducted a joint review of the inventory of single-use plastic products onboard, including items such as packaging bags for amenities, catering utensils, and food, covering 147 types of materials. Through service meetings and relevant documents, we identified 52 types of in-flight plastic-restricted products that required replacement and facilitated communication between Zhongyi and suppliers regarding alternative packaging solutions for onboard items like blankets, towels, napkins, tablecloths, and coasters. According to the feedback, Air China completed the alternative products procurement, ensuring the new packaging products could be launched as planned.



On December 7, 2023, during the National Public Procurement Industry Annual Conference and the 9th National Public Resources Trading Forum, the national annual selection for public procurement was held. The Company's procurement management platform was awarded the "Digital Procurement Innovation Platform" prize.



02

Safety Development

Air China is founded on the "14th Five-Year Plan" development plan, which firmly establishes a people-centered worldview and a profound grasp of Air China's unique mission. It coordinates safety management, safe operations, and safety culture development, consolidates safety development successes, firmly holds the bottom line of safety development, ensuring absolute safety in aviation operations and the absolute safety of people's lives.



The "14th Five-Year Plan" in the Safety Scope

Safety Management

Air China earnestly complies with the laws and regulations such as the *Work Safety Law of People's Republic of China* and the *Civil Aviation Law of People's Republic of China*, actively responds to the Civil Aviation Administration's *Regulations on the Management of Dual Prevention Mechanisms of Graded Control and Hidden Danger Investigation and Governance of Civil Aviation Safety Risks*, and maintains a high level of vigilance against potential safety risks in daily operations through refined management, thus overall improving the level of safety management.

In the Company's "14th Five-Year Plan," the annual target in the safety field is to have a transport aviation accident rate below 0.11. With the recovery of the Company's flight volume in 2023, Air China's fleet, flight hours, and flight numbers have all increased. Aiming to further enhance safety operations and management levels and continuously improve safety quality, the target incidents rate of air transportation per 10,000 flight hours for 2023 was raised to 0.08, through comprehensive analysis and judgment. In 2023, Air China's incidents rate of air transportation per 10,000 flight hours achieved a value of 0.007, effectively achieving the Company's safety goals and showing a decrease compared to 2019.

Air China's Annual Safety Targets	Completed Achievements in 2023
<ul style="list-style-type: none"> Eliminate major transportation aviation responsibility accidents. 	✓
<ul style="list-style-type: none"> Eliminate hijacking, bombing, and other in-flight terrorist incidents, and prevent serious aviation security responsibility accidents. 	✓
<ul style="list-style-type: none"> Prevent major aviation ground accidents and massive aviation maintenance accidents. 	✓
Accountable incidents rate of air transportation per 10,000 flight hours did not exceed 0.08	with the severe accident rate not exceeding 0.07

Safety Governance Structure

Air China has established a sound safety management system based on the *Regulations on Operation Qualification of Large Aircraft Public Air Transport Carriers (CCAR-121)* and the *Provisions on the Administration of Civil Aviation Safety (CCAR-398)*. This system includes a production and operation system and an independent safety supervision system that exists outside the Company's production and operation system. The latter focuses on fulfilling safety supervision and management responsibilities.

Additionally, we regularly undergo external audits such as the IATA Operational Safety Audit (IOSA) and the IATA Safety Audit for Ground Operations (ISAGO). We follow audit plans and address audit findings one by one to enhance the Company's safety management system. In 2023, all findings from the IOSA audit were closed on time, and both IOSA and ISAGO registration qualifications remaining valid.

Safety Operation System



Aviation Safety Management System

- Building on the previous three-tier risk control mechanism, in accordance with the requirements of the Civil Aviation Administration's regulations, we have established a comprehensive dual-prevention mechanism, integrating safety classification control and hazard inspection organically.
- Continuously improving the QBD system application, integrating and synchronizing QAR data to achieve dynamic restoration of the flight process, providing intuitive flight quality information for individuals and fleets. Gradually realizing personalized training, combining artificial intelligence and other technologies to further explore the value of data, conducting trend analysis of common flight risks, and providing panoramic data services for safety management and flight training.
- To promote the digital transformation of aviation safety management, the Aviation Safety Management Department and the Information Management Department have jointly established a working group to interpret regulations and policies, conduct industry research, and sort out internal needs. In 2023, we collaborated with seven suppliers for technical consultations, promoting project initiation and development to enhance data-driven preventive risk control capabilities.



Flight Training system

- According to the flight training work plan, we have integrated flight training resources to ensure that the pilot training progress meets the demand, providing assurance for flight operation capability and continuous qualification.
- In terms of critical flight crew team building for flight systems, in 2023, we hired/rehired 405 flight inspectors and 25 technical pilots for various aircraft types, successfully completing the team building for each aircraft type.
- In accordance with the latest policy requirements from the authorities, we have updated the Standard Operating Procedures (SOP) and training syllabi for each aircraft type, as well as flight instructor manuals and flight inspector manuals, ensuring that flight personnel training and technical inspections comply with regulatory requirements and company quality management standards.



Operational Control System

- Revised the *Operations Control Center Quality Inspection Workgroup Management Regulations*, integrated safety hazard investigation and management work, and through the establishment of a professional and efficient quality inspection team, completed inspections for 561 projects involving 633 person-times from 8 business departments, continuously enhancing risk control capabilities.
- Refined the Air Operator Certificate (AOC) disposal procedures and checklists based on the *Emergency Response Manual*, and formulated the AOC safety-related abnormal event disposal management procedures and aircraft in-flight fault disposal procedures as planned. Also revised the *Emergency Event Disposal Level Table*, detailing the classification standards, hazard degree, and response levels for different levels of events.
- Released the *Flight Operations Data Analysis Management Measures*, standardizing the use of operational data, promoting data sharing, and enhancing the capability for analyzing normal flight data.



Aircraft Maintenance System

- In terms of maintenance production management, we improved the implementation principles for C checks in the Air China fleet, established maintenance capability plans for each route unit, and set development goals for C check maintenance capability in 2024, while continuously advancing the development of weekly plans and operational data systems.
- In maintenance engineering management, we completed a research report on the current status of configuration management in the Air China fleet. We focused on potential risk points in stages such as selection, introduction, operation, and retirement, and based on the research results, formulated practical and feasible solutions.
- In maintenance safety and quality management, we identified 10 key risks at the Company level and established corresponding key risk lists.

Safety Management Priorities

Special investigation and rectification of major safety hazards

Key leaders conduct monthly on-site inspections to develop work plans, adhere to checklist-style management, and dynamically eliminate safety hazards. We have organized inspections and rectifications for activities such as hot work operations, outsourcing, and leasing, continuously improved the emergency response plan system, actively conducted emergency rescue drills, and constantly enhanced safety management capabilities. As of the end of the reporting period, the Company has not identified any major safety hazards, and 100% of the general safety hazards discovered during inspections have been rectified on schedule.

Comprehensive resumption of flights and production

We have made every effort to ensure the safe and orderly resumption of flights, with a focus on resuming operations on international routes. We have also completed the 13th phase of special risk assessment to ensure that our production support capabilities match the actual flight operations. We have also upgraded and optimized the engine anti-shutdown management system, rigorously controlled major technical issues with the engines, and successfully deployed ARJ21 aircraft for operations at Chengdu Tianfu International Airport.

CAAC safety supervision implementation and rectification

The Company's Party committee promptly studied the spirit of Director Song zhiyong's speech from the Civil Aviation Administration and the requirements outlined by the supervisory group. A comprehensive deployment was made by establishing a leadership group and three special working groups, and implementing corrective action plans along with three special checklists. Each investment enterprise conducted a thorough comparison with the Company's rectification plan, formulated measures, continuously improved the safety production system, and enhanced the overall safety production management level of the company.

Implementing annual safety management enhancement action

According to the requirements of the "Six Practical Enhancements," a leadership group led by the Company's main leaders and daily work institutions has been established. An action plan has been issued, and each unit has refined and formed a list of work tasks. We systematically reviewed the shortcomings and weaknesses, carried out rectification one by one, and enhanced system linkage. Around the 22 main tasks in six aspects, we have been promoting the implementation of actions in stages throughout the year, comprehensively enhancing the construction of safety production capabilities.

Advancing the SMS-DG system construction

We have improved the SMS-DG manual and work procedures, strengthened personnel training, organized annual hazardous materials air transportation safety management reviews; we have implemented a dual-prevention mechanism for risk control and hidden danger investigation, conducted differentiated supervision and inspections on 18 units inside and outside Beijing, released risk alerts for outsourced management of hazardous materials air transportation, and organized personnel qualification compliance self-inspections; we have played a role in safety education and advocacy, revised training materials, and redesigned the hazardous materials education section.

Deepening the construction of aviation security management system

We have organized aviation security tests and air defense drills, established risk control and hazard remediation checklists, enhanced the emergency response system for security, and strengthened the supervision system for investment enterprises; we have advanced the crackdown on "air rage" incidents in a deep and comprehensive manner, developing action plans, establishing a rapid handover mechanism for disposal, conducting specialized training and vocational skills competitions; we have conducted fire inspections, firefighting and rescue drills, and revised fire emergency plans for buildings, ensuring that key personnel in fire management positions are certified to their posts.

Safety Operation Performance

In 2023, Air China successfully completed various critical transportation tasks. During the reporting period, We supported a total of 15,505 flights for the "Spring Festival" travel, 145 flights for delegates and representatives during the "Two Sessions," 57 flights for the Belt and Road special events, 32 flights for the pilgrimage charter missions,

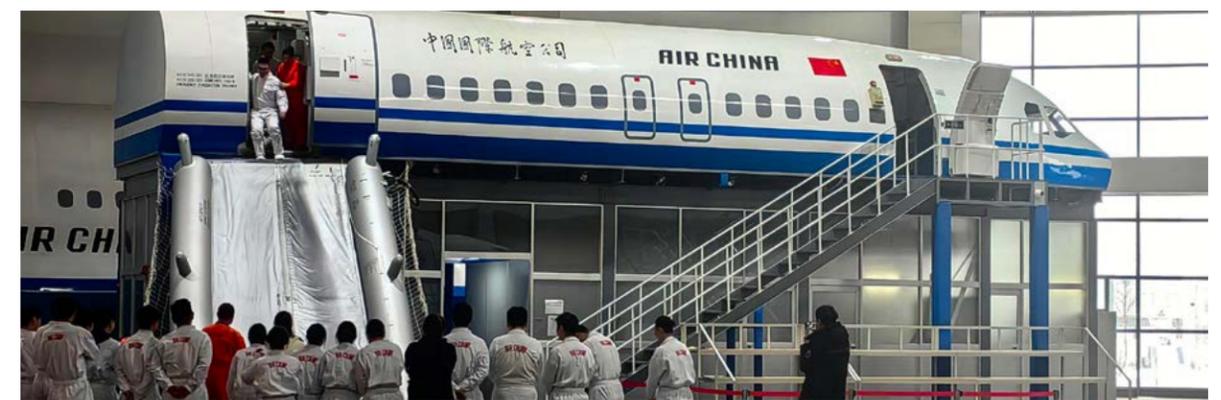
339 flights for the Chengdu Universiade, 474 flights for the Hangzhou Asian Games and Asian Para Games, and completed 98 flights for humanitarian aid and other major tasks with a "zero-error" record, successfully fulfilling flight transportation and security tasks.



Emergency Management

Air China attaches great importance to emergency management work, continuously improves the emergency management system, and enhances the response capability to sudden events. We ensure the safety of passengers and team members through proactive prevention and training, as well as post-incident rectification. We have completed the revision of relevant systems such as the *Company Overall Emergency Plan*, *Emergency Response Manual*, *Operation Manual*, and *AOC Flight Abnormal Situation Handling Procedures*. We have also published the *Air China, Shenzhen Airlines, Shandong Airlines Operations Control Department*

AOC Construction Communication Sharing Mechanism, deepening the sharing of emergency and special situation information, achieving full sharing of data and information, and enriching the event scenarios and disposal experience of each airline's operations department. Additionally, we have established a special emergency drill group, implemented the hazard investigation and rectification plan, and successfully organized two emergency drills in June, which was also the Air China's Safety Production Month, and in December.



On-Site Emergency Drill Activity for Safety Production Month

Employee and Passenger Safety

Flight Safety

Strict control of training quality

We have enhanced training efforts specifically tailored to flight recovery. This includes a comprehensive review of personnel qualifications and efficient organization of qualification-related training to ensure that flight crews are adequately prepared for route operations. We also focus on the entire process of flight operation, organize and carry out training to enhance manual flying capabilities, ensuring that the crew's qualifications and abilities are competent for route operations.

We have maintained the system of thorough theoretical examination, enhanced management processes during simulator training, standardized teaching materials, strictly controlled key aspects such as training preparation, implementation, and review, and comprehensively implemented training quality assessment and verification.

Strengthening key technical teams

We have strictly controlled the training of captains, ensuring that the captain's team has the competence to guarantee safety in their positions, and to lead the development of the co-pilot's work style and capability improvement from top to bottom.

We have strictly adhered to regulations governing inspectors, instructors, and captains, and implement a standardized mechanism for selection and retirement management.

Cabin Safety

We have enhanced air defense contingency plans for special routes, strengthened air defense safety education and outbound team dispatch, reinforced "triple coordination," implemented company service dispatch requirements, increased cabin inspection efforts, and ensured effective cabin order management.

We have organized special operations to legally address disruptive behavior on flights, standardized handling procedures and communication techniques, strengthened coordination between air and ground personnel, and properly managed disruptive behaviors on board.

We have enhanced risk alerts for industry-related unsafe events such as explosive threats, onboard lithium battery smoke and fire incidents, unprepared emergency evacuations, and conducted pre-flight tabletop exercises. We have also implemented safety training for aviation security and tabletop exercises.

In-flight Food Safety

Air China has prioritized "food safety" as a core principle and has established a comprehensive food safety management system. The Company actively conducts employee training to enhance their hygiene awareness and food safety knowledge. During the reporting period, Air China continued to advance ISO 9001 quality management system, FSSC 22000 food safety management system, and HACCP system certification. By improving its food safety management level, the Company ensures the food safety of in-flight meals.

Ground safety

Air China has established internal regulations such as the *Ground Services Department Aviation Safety Management Manual*, *Ground Services Department Aviation Safety Management Procedures*, and *Ground Services Department Safety Practitioner Work Style Long-Term Mechanism Construction Implementation Plan* for ground safety. These regulations aim to improve the three-tier SMS risk control

system, strengthen hazard identification and control, and clarify fire safety responsibilities. Additionally, we conduct annual safety management enhancement activities to reinforce employees' safety development concepts and bottom-line awareness, providing passengers with reassuring and high-quality ground services.

Ground Safety Management

In 2023, the Ground Services Department carried out the selection of "Safety Model", selecting a total of 188 "Safety Model" employees and supervisors, along with 12 exemplary safety teams, to further motivate supervisors and employees who demonstrate outstanding performance in daily safety work. We actively promoted the "Praise for Safety Behavior" initiative, sending out 186 praise cards to inspire excellent employees. In addition, by effectively utilizing resources from all parties, we expanded the platform for safety culture activities, continuously strengthening the work style of safety for employees, promoting the development of their proactive safety awareness and behavior, and creating a positive and active safety culture atmosphere.

Safe Handling of Aircraft Tug Driver in Response to Line Vehicle Overtaking

On December 9, 2023, a tractor driver from Ground Services Department was tasked with towing an aircraft for departure. While following instructions from maintenance personnel to push the aircraft with the nose facing south, the driver noticed a scheduled bus from a foreign airline driving from west to east behind the aircraft and immediately applied emergency brakes, allowing the scheduled bus to pass before pushing the aircraft to the designated position. The tractor driver demonstrated strong safety awareness, remained focused during the operation, maintained careful, and appropriately handled the situation when faced with a special circumstance, contributing significantly to the safety protocols and practices during the production process.

Safety Culture

Air China is committed to building and promoting a culture of safety by enhancing employee training, improving technical proficiency, and strengthening safety management, ensuring that every employee deeply understands the importance of safety. Air China integrates safety culture into every aspect of work, striving for rigor and reliability in flight, maintenance, service, and other aspects.

Safety Culture Building

Air China profoundly grasps the fundamental principles and guidelines for safety work. The Company has developed the 2023 Air China Safety Communication Education and Cultural Style Construction Plan to meet the requirements of civil aviation safety culture and style construction, based on the practicality and features of safety production. We considers the development of a safety culture and style to be a cornerstone project for fully promoting safety governance and management, and strives to apply it effectively.



- ① Chief Pilot Symposium of Flight Crew Department
- ② Guangdong Branch Security Awareness Day on June 16
- ③ Hidden Hazard Investigation and On-site Inspection at Ground Services Department
- ④ Ameco Honor Roll
- ⑤ "Safety and Health Knowledge Contest" Award Ceremony at Southwest Branch
- ⑥ Water Emergency Evacuation Drill at Chongqing Branch
- ⑦ "Safety Commitment and Practice" Activity at Hubei Branch
- ⑧ Ameco Emergency Drill



Safety culture system construction

In accordance with the Civil Aviation Administration's *Guidelines for the Construction of Long-term Mechanisms for Safety Culture among Civil Aviation Workers* and the *Opinions on Strengthening the Construction of Safety Culture in the New Era of Civil Aviation*, Air China issued the *Implementation Plan for the Construction of Long-term Mechanisms for Safety Culture among Safety Personnel*. This plan detailed and improved the normalization management of safety culture construction among the Company's safety personnel and safety culture development systems.

We established a mechanism for identifying, quantitatively evaluating, and managing the safety culture issues. Each leading department of business management units should establish a comprehensive and sound typical safety culture issue list and identification process, including flight, cabin service, aircraft maintenance, operations control, air security and safety management to identify and detect working style issues and establish quantitative management forms.

We implemented the incentive mechanism, regularly sorted out unsafe events. In accordance with the Aviation Safety (Security) Reward and Punishment Management Standards, we timely praised outstanding employees and units that strictly followed manuals and regulations in production and operation, actively cultivating the safety awareness of all employees and creating a good safety atmosphere.

Safety culture activities

The Learning Content is compiled and published, for studying General Secretary Xi Jinping's important view about aviation safety production, civil aviation work, and state-owned enterprise reform and development that closely related to Air China's work.

Organizing activities such as "Safety Lecture Hall", "Safety Production Discussions", "Pre-shift Meetings" and "Case-based Training", safety-themed Party courses, and thematic debate meetings to provide various opportunities and platforms for safety directors at all levels to talk about safety and for all employees to discuss safety and learn from experiences.

Making safety culture construction as part of the safety training curriculum, developing the course of *Safety Culture Construction and Long-term Mechanism Construction*, and conducting specialized lectures on topics such as "Construction of Safety Culture in the New Era of Civil Aviation" and "Analysis of Typical Cases of Safety Culture" to further promote the ideological awareness and behavioral consciousness of safety personnel to develop good safety culture.



Chongqing Maintenance Department's On-site Safety Explanation of Emergency Drill



Ameco's Safety Education Video Broadcast

- Organizing a themed essay contest on "Resolutely Upholding the Bottom Line of Aviation Safety".
- Conducting the "Safety Commitment and Practice" activity through safety manager lectures, poster signing, and signing of electronic commitment letters.
- Reviewing educational videos such as *Everyone Talks About Safety*, *Everyone Knows Emergency* and *Special Inspection and Rectification Action for Major Accident Hazards* to firmly establish safety bottom-line thinking and awareness of red lines.
- Closely focusing key tasks, difficulties and hot spots of the industry safety work, regularly reviewing safety work instructions and guidance spirits, using platforms like public accounts, publications, and display boards to establish clear guidance to learn in multiple forms.
- Organizing safety warning education lectures, conducting training for flight crews, maintenance personnels, and ground support personnels involved in parking apron operation, and conducting activities such as "Safety and Health Knowledge Contest" to create a good safety atmosphere of "Learning, Helping, and Outstanding."



Safety Awareness Day on June 16th at Guangdong Branch.



Specialized Warning Education for Ground Services Department

Safety Training

Based on the *Training Management Manual*, Air China is committed to providing comprehensive and professional safety training for its employees, ensuring that they maintain a high level of safety awareness in the complex and ever-changing aviation environment. We utilize face-to-face and online live training to disseminate a broader and deeper safety culture, aiming to create a highly skilled and efficient team. Air China invested approximately RMB 222 million on training in 2023 to maintain specific qualifications for the Company's employees.

Safety Training Performance Data for Air China and Subsidiaries in 2023

Average qualification training hours divided by specialty	10,000 person-hours
Flight training	61.7
Flight attendance training	119.0
General training for ground workers	43.5
Total qualification training hours for pilots	10,000 person-hours
Safety training	34.7
Flight simulator training	18
Hazardous goods retraining	3.8
Emergency retraining	5.2
Total qualification training hours for the flight attendants	10,000 person-hours
Safety training	103.1
Hazardous goods retraining	7.1
Emergency retraining	8.8
Total qualification training hours for the ground workers	10,000 person-hours
Safety training	38.5
Hazardous goods retraining	5.0

¹The safety training data covers Air China, Beijing Airlines, Dalian Airlines and Inner Mongolia Airlines.



03

Green Operations

Air China has committed to the concept of "green operations and sustainable development," seizing the opportunities provided by national development strategies and responding to the national call for low carbon. We highly concern about climate change and its consequences, standardized and optimized the environmental management system, strengthened energy resource management, strictly limited pollutant emissions, and emphasized the development of low-carbon environmental awareness. Therefore, we could achieve green and low-carbon development, while continuously increasing economic efficiency.

Proactively support the "dual carbon" strategy of "carbon peaking and carbon neutrality"

Improve the management system, and enhance management ability

Strengthen energy management to achieve low-carbon development

Fight the battle of pollution prevention and control, and defend the blue sky continually

Shape an image of a green state-owned aviation enterprise and demonstrate our corporate social responsibility

The "14th Five-Year Plan" in the Environmental Scope

Improvement of Environmental Management System

Air China strictly implements laws and regulations related to environmental protection, actively carries out the construction of energy-saving, environmental protection, and environmental management systems, making the the Company's environmental management systemically, wholly, and uniformly. In accordance with laws and regulations such as the *Energy Conservation Law of the People's Republic of China*, the *Environmental Protection Law of the People's Republic of China*, and the *Circular Economy Promotion Law of the People's Republic of China*, we have formulated internal policies including the *Air China's Environmental Management Manual*, the *Management and Review Procedures for Environmental Management Systems*, *Identification, Evaluation, and Update Management Procedures of Environmental Factors*, *Energy-Saving and Environmental Protection Management Methods*, *Energy Conservation and Environmental Protection Training Implementation Rules*, *Energy Conservation and Environmental Protection Supervision Implementation Rules*, *Energy Conservation and Environmental Protection Assessment and Reward and Punishment Measures*, and *Carbon Emissions Management Implementation Rules*, integrating environmental management into all aspects of our daily operations. We have improved the environmental governance structure, established a Leading Group for Ecological and Environmental Protection and its office, and regularly held annual green development meetings to enhance

the effectiveness of environmental protection work.

We continue to strengthen environmental management and supervision, conducting annual assessments and inspections on emissions produced during production and operations to ensure compliance with regulations. We have also developed internal management systems such as the *Air China Emergency Response Plan for Environmental Emergencies*, *Management Procedures for Wastewater, Waste Gas, and Noise Emissions*, and *Solid Waste Management Procedures*. In the Beijing area, we have carried out emergency response drills in 7 on-site disposal scenarios, including those related to boilers and sewage, to enhance our employees' emergency response capabilities to sudden environmental incidents.

We have incorporated energy conservation and environmental protection into our performance assessment management system, setting and detailing performance assessment targets and tasks for energy conservation and environmental protection. We have promoted the signing of the *Energy Conservation and Environmental Protection Responsibility Letters* by various entities, and the Office of the Leading Group for Ecological and Environmental Protection scores the completion of tasks by the entities based on the *Energy Conservation and Environmental Protection Assessment and Reward and Punishment Measures*, linking it to the salaries of the heads of each entity. We have also established an environmental protection incentive and punishment mechanism, commending entities and individuals who have made outstanding achievements in energy conservation and environmental protection, and holding violators accountable and imposing fines on them.

Air China has passed the ISO 14001 environmental management system certification and carried out external and internal audits of the environmental management system in 2023, focusing on deepening the construction of the environmental management system. According to the *Air China Environmental Management Implementation Plan for 2023*, we conducted internal audits of the environmental management system in August 2023. The internal audit team conducted audits on 10 key entities and 8 subsidiaries, issued internal audit reports, and continuously promoted improvements to related issues.



China's Environmental Management System Certificate

Company commended Advanced Groups for energy conservation and environmental protection

10

Company commended Advanced Individuals for energy conservation and environmental protection

47

The rate that entities of environmental management system receiving internal audits

100%

Addressing Climate Change

Climate change is a widely concerned issue in the international community. Air China actively implements the national goals of "carbon peaking and carbon neutrality," paying great attention to the risks and opportunities brought about by climate change. Referring to relevant policies and guidelines such as the *14th Five-Year Plan* and *China's Policies and Actions for Addressing Climate Change (2022)*, with references to the framework and recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), Air China incorporates climate change response into its corporate strategic planning, comprehensive risk management system, and daily operational management, contributing to the global response to climate change.

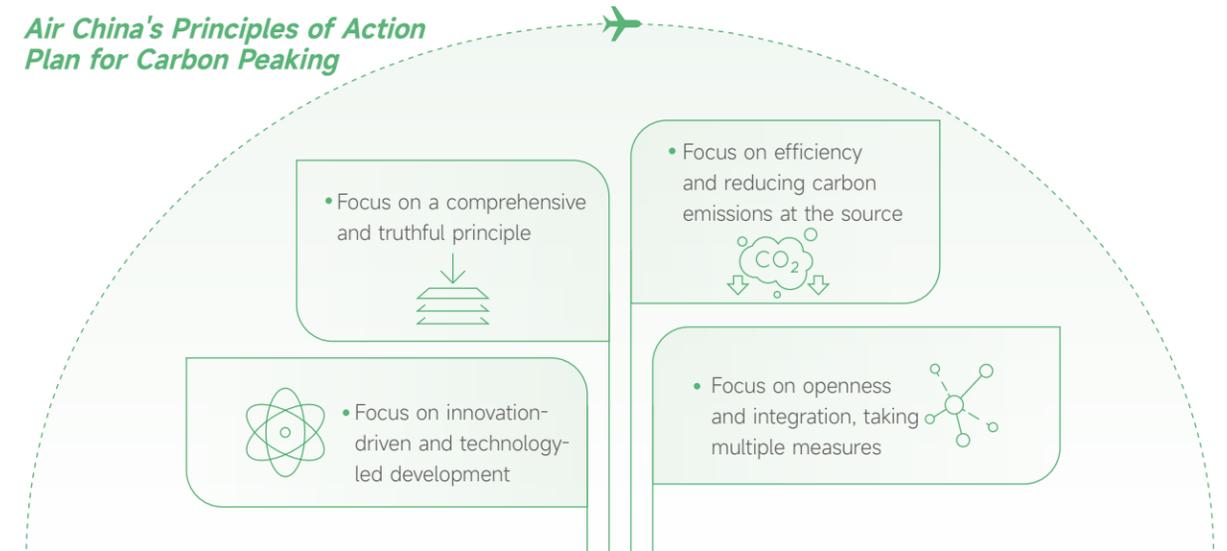
Climate Governance

Air China has been improving the top-level administration of climate governance. It has established a Carbon Peak and Carbon Neutrality Leadership Group, which is also served by the Leading Group for Ecological and Environmental Protection. The Chairman and the President serve as the leaders of this group, with members including the heads of the main entities within the group and key business personnel, who are responsible for deliberating on specific tasks related to climate change response, energy conservation and emission reduction, and ecological and environmental protection. The concept of responding to climate change is integrated into every aspect of the Company's governance, comprehensively advancing the implementation of our dual-carbon strategy and climate risk response affairs. We have improved the environmental management reporting mechanism, set up special working groups, and report work ledgers to the Office of the Leading Group for Ecological and Environmental Protection quarterly. Meetings are held as needed based on work

progress, and the office regularly reports to the Leading Group for Ecological and Environmental Protection on the previous year's work summary and the key tasks for the current year.

At the same time, as an advocate of clean energy and a promoter of low-carbon transition in society, Air China, based on the *14th Five-Year Plan for the Green Development of Civil Aviation*, has formulated the *14th Five-Year Plan for Green Development*. This plan comprehensively promotes the implementation of a green and low-carbon strategy, with the aim of building a world-class green development aviation transport enterprise. We have compiled the *Company's Action Plan for Carbon Peaking*, focusing on six pillars: aviation fuel conservation, aviation carbon reduction, energy-saving technology improvement on the ground, carbon asset reserve, new green technologies, and green initiatives for all. Through these efforts, we strive to build a resource-saving green enterprise and achieve green, high-quality development.

Air China's Principles of Action Plan for Carbon Peaking



Our Strategies

According to national policies and industry development trends, as well as the dynamics between climate change and the aviation industry, Air China further identifies the climate risks and opportunities in its operations and along the upstream and downstream of its value chain. On this basis, we combine our strategy and development to formulate plans and actions to respond to climate change risks, minimizing the impact of these risks to the greatest extent.

Climate Change Risk Identification List and Response

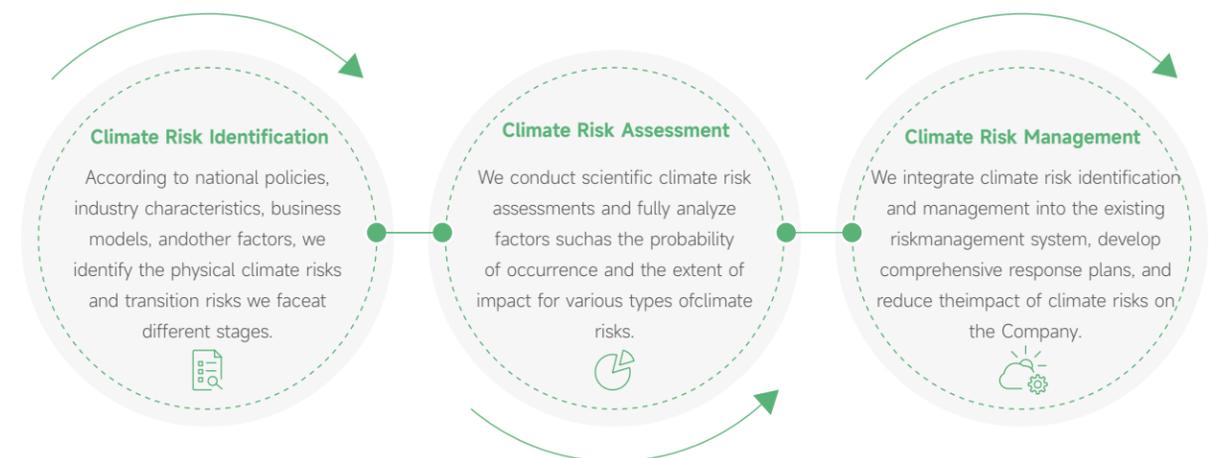
Risk Type	Specific Risk	Risk Description	Risk Response
Transition Risk	Policy and Legal Risks	<ul style="list-style-type: none"> New climate-related laws, regulations, and policies impose more stringent requirements for the industry, such as tighter emissions restrictions on civil airlines, which may influence more costs and travel habits, thus leading to fewer passengers and related revenue. The introduction of the national "dual carbon" goals and the launch of the national carbon emission trading market will possibly heighten carbon emission requirements. If the Company is included in the carbon trading system in the future, additional costs may be incurred due to the lack of carbon quotas. 	<ul style="list-style-type: none"> Strictly adhered to existing laws and regulations, adjusted strategic planning and goals in line with current trends, and developed plans for a low-carbon development path. Explored and optimized greenhouse gas (GHG) emission reduction paths, established short-term, medium-term, and long-term carbon peaking and carbon neutrality goals and strategies, and regularly disclosed the progress of GHG emission reduction. Continuously followed the existing national and local carbon emission policies, strengthened communication with various regulatory authorities, and provided industry suggestions and practical experience for relevant departments. Changed energy schedule according to requirements, introduced new energy technologies, and promoted the transition of our energy mix. Enhanced the electrification rate within the flight area, and improved the efficiency of operational support for new energy vehicles. Formulated carbon trading management strategies, established carbon price monitoring and early warning mechanisms, implemented centralized management of carbon assets and optimized the profile of carbon assets.
	Technological Risk	<ul style="list-style-type: none"> Aviation fuel is one of the important environmental factors for the Company. In the context of the national "dual carbon" goals, the Company needs to deploy more energy-efficient and environment-friendly technologies and facilities and increase special investment in energy conservation and emission reduction to reduce carbon emissions and the climate impact caused by aviation fuel combustion. 	<ul style="list-style-type: none"> Implemented energy saving and emission reduction practices, improved existing technologies, and introduced and developed new technologies.
	Market Risk	<ul style="list-style-type: none"> The "14th Five-Year Plan" for civil aviation clearly defines the target for the use of sustainable aviation fuel (SAF), but a mature industry chain for the SAF has not yet been formed domestically. The price of such fuels is much higher than that of conventional fuels, thus bringing additional financial burden to the Company. The Chinese civil aviation industry is in the development stage, with the per capita number of trips significantly lower than the international level. The future market demand and development potential is substantial, leading to an increase in energy consumption and carbon emissions. 	<ul style="list-style-type: none"> Continuously deepened fuel-saving measures to reduce energy consumption. Strengthened cooperation with industry associations, upstream and downstream enterprises in the industrial chain, as well as scientific research institutions, and continuously explored the research and application of sustainable aviation fuel (SAF). Comprehensively replaced aircraft Auxiliary Power Units (APUs) with ground power, and promoted energy mix transition.
	Reputational Risk	<ul style="list-style-type: none"> In the context of climate change being a major concern, the aviation industry's carbon emission reduction efforts are closely followed by various stakeholders. Failure to effectively implement such efforts in a timely manner will have a negative impact on the Company's public image and revenue. 	<ul style="list-style-type: none"> Took the preferences and needs of stakeholders as a guide to improve the communication mechanism with them, and conducted regular evaluation and research. Established communication methods on the official website, App, and other public channels, which can accept complaints and feedback from stakeholders.

Risk Type	Specific Risk	Risk Description	Risk Response
Physical Risk	Acute Risk	<ul style="list-style-type: none"> Extreme weather events, such as typhoons, extreme rainfall and floods, intensify the sudden physical risks to our daily business operations and may lead to flight delays, forced landings, or cancellations, thus weakening freight and passenger transportation capacity in the supply chain and transportation network. Extreme weather may affect aircraft performance and damage aviation infrastructure, thereby affecting flight safety and reliability. Extremely hot weather may increase an airplane's fuel consumption, affecting fuel efficiency. The occurrence of extremely hot and cold temperatures may increase the probability of employee health and safety risks. 	<ul style="list-style-type: none"> Developed special emergency rescue plans to deal with extreme weather such as flooding, lightning, cold weather, typhoons, and heat stroke, improving emergency response speed. Adjusted the flight plan promptly. Conducted a timely assessment and pre-analysis of changes in operating conditions by monitoring flights, took measures to control flight returning and diversions, and provided support to the aircrews on the ground. Adopted models that are more resistant to high and low temperatures, and adjusted maintenance strategies in a timely manner to ensure the normal operation of the fleet.
	Chronic Risk	<ul style="list-style-type: none"> Scenarios such as global warming, rising sea levels, and tidal intrusion may lead to high frequency and increased duration of temporary operational disruptions and maintenance as well as more cost. 	<ul style="list-style-type: none"> Deployed a professional maintenance and troubleshooting team. Invested more funds in R&D to improve repair and maintenance efficiency, as well as reduced energy consumption.

Risk Management

Air China has established a comprehensive risk management process, fully integrating the identification, assessment, and management of climate risks into the Company's risk management system, effectively managing climate risks through classification and grading.

Air China's Climate Risk Management Process



Our Goals

In accordance with the target of keeping a global temperature rise below 2°C proposed by the Paris Agreement and based on the actual circumstances, Air China has set a science-based carbon reduction target. We have formulated the *Air China Green Development and Dual-Carbon Key Task List for 2023* in accordance with the *Opinions of the CPC Central Committee and the State Council on Completely, Accurately, and Comprehensively Implementing the New Development Concept and Ensuring Peak Carbon Dioxide Emissions and Carbon Neutrality*, the *State Council's Action Plan for Carbon Dioxide Peaking Before 2030*, and the work requirements of governments at all levels and

industry regulators. This list clearly defines the overall goals for our dual-carbon work and scientifically plans the process of GHG emission reduction.

Air China Environmental Goals

- 🌿 In terms of environmental compliance, no environmental violation shall occur.
- 🔋 In terms of energy saving and carbon reduction, we will strive to achieve a year-on-year reduction in carbon emission intensity.

GHG emissions data of Air China and its subsidiaries in 2023²

GHG Emissions Category	Unit	2023
Scope 1	CO ₂ emissions (10,000 tonnes)	2,260.8
Scope 2	CO ₂ emissions (10,000 tonnes)	18.3
Total GHG emissions	Total CO ₂ emissions (10,000 tonnes)	2,279.1
GHG emission intensity	CO ₂ emissions intensity (g/tonne-km)	1,058.7

Indicator	Unit	2023
Owned aircraft	unit	905
Introduced new aircraft	unit	23
Retired old aircraft	unit	12
Average age of the aircraft	year	9.36
Fuel consumption intensity	kg/tonne-km	0.336

²GHG emissions data of Air China and its subsidiaries covers those from Air China, Shenzhen Airlines, Kunming Airlines, Shandong Aviation Group Corporation, Beijing Airlines, Dalian Airlines, Inner Mongolia Airlines, and Ameco.

³The *Interim Measures for the Management of Carbon Dioxide Emissions Monitoring, Reporting and Verification of Civil Aviation Flight Activities* (CAAC Regulations [2018] No. 3) was adopted as the aviation fuel calculation standard.

⁴The 2022 national grid average emission factor of 0.5703t CO₂/MWh for the year 2022 provided by the Ministry of Ecology and Environment was adopted as the ground energy calculation standard.

⁵Scope 1 is CO₂ emissions from the burning of fossil fuels, and Scope 2 is CO₂ emissions from the use of electricity and heat.

Our Actions

Air China actively promotes the implementation of the *Action Plan for Carbon Peaking*, explores carbon reduction strategic paths, improves the carbon emission control system, enhances carbon asset management, and steadily advances the Company's green and low-carbon development.

Air China's Carbon Reduction Actions in 2023

- Participated in the formulation of carbon market rules

Air China participated in the civil aviation national carbon market working group, facilitated the formulation of industry rules for the market, and conducted in-depth research on the construction of China's aviation carbon trading management system and processes, contributing to the important role of the civil aviation industry in the carbon market.

- Promoted carbon trading

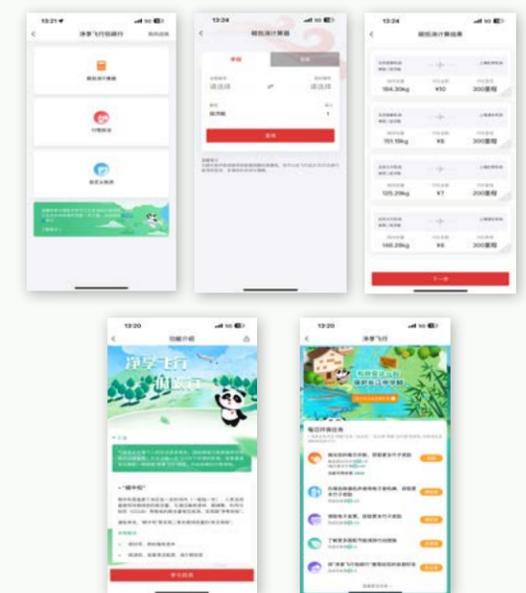
Air China continued to carry out the construction of centralized management capabilities for carbon trading. We unified carbon trading management and operations, established a carbon price monitoring and early warning mechanism, and optimized the internal control and entrusted management processes of carbon trading. Based on multiple carbon emission management systems, we developed and launched a carbon emission management analysis platform, achieving the automation of carbon emission data statistics and analysis.

- Promoted the low-carbon development of the industry

Air China and its subsidiaries carried out national, Beijing, civil aviation, and EU carbon emission reporting, verification, and compliance work. We actively participated in policy discussions on industry carbon reduction targets, SAF, plastic phase-out, and other related issues. As a member of the IATA Environment Committee, the Technical Standardization Committee on Aviation Environment Protection of China Air Transport Association, we actively spoke up for the civil aviation industry under the unified leadership of CAAC.

- Supported "Carbon Neutral" flights

Air China's "Low-Carbon Green Travel Program" offers passengers "Carbon-Neutral" services. Through the establishment of a one-stop carbon offset platform, Air China provides passengers with carbon footprint calculation and carbon offset service for nationally certified emission reductions. Passengers can voluntarily participate in carbon emission reduction projects such as domestic reforestation through flight miles or cash payments, contributing to "carbon neutral" flights and reducing the environmental impact of carbon emissions from air travel. As of December 31, 2023, nearly 12,000 people have participated in the "Carbon-Neutral" flight initiative, offsetting a total of 2,500 tonnes of carbon dioxide emissions, which is equivalent to achieving about 150 "Zero-Carbon Flights" from Beijing to Shanghai.



Air China's "Low-Carbon Green Travel Program"

Furthermore, as an airline company, Air China continuously optimizes fuel-saving measures for flights, promotes the domestic-made SAF, actively introduces high fuel-efficiency aircraft models, enhances the management and control of aviation fuel efficiency, and strengthens route optimization and other green and low-carbon measures, practicing green and comprehensive journey services together.

Flight Fuel-Saving Highlights

- 01 Optimizing altitudes in the flight plan:**
By implementing closed-loop adjustments to computer flight plan parameters through data analysis, we improved the conformity of actual flight altitudes. In 2023, this resulted in a cumulative fuel saving of 1,569 tonnes and a reduction of 4,942 tonnes in carbon dioxide emissions.
- 02 Optimizing extra fuel in the flight plan:**
By analyzing flight data and optimizing the planned remaining fuel upon landing, we saved a total of 3,930 tonnes of fuel in 2023, reducing carbon dioxide emissions by 12,380 tonnes.
- 03 Controlling aircraft weight:**
Utilizing various means to monitor performance indicators, we implemented the establishment and management of the basic database for the aircraft, and reasonably controlled the aircraft weight based on the aircraft type and route, saving 433 tonnes of fuel and reducing carbon dioxide emissions by 1,364 tonnes in 2023.
- 04 Optimizing flight routes and paths:**
We evaluated factors affecting adjustments to domestic and international flight paths, optimized the Company's domestic and international route structure, shortened the distance of flight routes, and reduced flight time and fuel consumption. In 2023, we saved a total of 3,744 tonnes of fuel, reducing carbon dioxide emissions by 11,794 tonnes.
- 05 Implementing mobile map applications:**
By promoting the use of portable electronic flight bag (EFB) systems for airport mobile maps, we enhanced pilots' situational awareness during taxiing, reduced taxiing time, and improved taxiing efficiency. In 2023, we launched mobile map data for 136 airports as well as various series and models including B737, B747, A330 and A350, achieving a total fuel saving of 15,686 tonnes and reducing carbon dioxide emissions by 49,411 tonnes.
- 06 Replacing APUs with alternative facilities:**
We orderly promoted the standardized, refined, and normalized management of APU alternative facilities as much as possible, ensuring a 100% connectivity rate for the facilities, and further reducing aircraft ground emissions. In 2023, Air China saved a total of 105,895 tonnes of fuel by using APU alternative facilities, reducing carbon dioxide emissions by 334,000 tonnes.
- 07 Research and development of the Aircraft Cross Fueling System:**
We have independently developed the Aircraft Cross Fueling System to achieve safe and clean fuel transfer directly. The system can reduce the waste in fuel pumping for aircraft model replacement, overhaul, and maintenance, reusing the "waste oil."

A green and low-carbon flight activity

In July 2023, Air China hosted the "Embracing a Low-Carbon Future with Blue Skies" flight activity, laying a solid foundation for promoting the normalization of the SAF commercial flight in the industry. The flight, operated by an Airbus A350 from Hangzhou to Beijing, was fueled with a 10% blend of domestically produced SAF, marking the first commercial passenger flight of a wide-body aircraft using this kind of fuel in China. Additionally, the flight offered recyclable and biodegradable in-flight supplies and presented passengers with an "Eco-friendly Notebook" set made from stone materials and recycled beverage bottles, further promoting green and low-carbon travel.



SAF Refueling



Our Crews



Our Crews



Eco-friendly In-flight Supplies



Eco-friendly Notebook

Promoting the Green Operation Model

Air China implements its responsibility for green development, actively develops an environmentally friendly industrial structure, integrates environmental management into all aspects of daily operations, executes various energy-saving and carbon reduction measures, carries out pollution prevention actions, and promotes the Company's green, low-carbon, and circular development.

Emissions Management

Air China strictly controls the emission of pollutants, standardizes the emission management processes and standards, improves the pollutant risk list, and refines the emission management system and risk list. This effectively promotes pollution management and helps take special actions to fight pollution. We conduct regular environmental compliance assessments annually, testing emissions produced during production and operation processes to ensure compliance with regulations.

Waste Gases Management

Air China strictly follows the *Law of the People's Republic of China on the Prevention and control of atmospheric pollution*, *Integrated Emission Standard of Air Pollutants*, *Standard for Pollution Control on the Municipal Solid Waste Incineration*, and other relevant laws, regulations, and standard documents. We actively launched various emission reduction initiatives to strictly control and manage the emissions produced during operations.

Main Measures for Waste Gas Emissions Reduction

- Regularly monitor boiler waste gases, canteen fumes, and industrial waste gas to ensure that emissions meet the standards.
- Air pollutant control devices and online monitoring facilities are installed.
- Ground power and air conditioners are used by all aircraft connected to the air bridge, to reduce the usage of APUs. By December 31, 2023, Air China had signed 337 agreements of APU substitution with domestic airports, achieving full coverage.
- Strengthen the renovation and upgrade related to vehicle emissions at the airport, promote self-inspection on diesel vehicle emissions, and ensure that the emissions from diesel vehicles meet the standards after technological renovation.
- Accelerate the transition from oil to electricity. Employ new energy vehicles for all of our civil aviation models. Adhere to the principle of simultaneous promotion of vehicles and charging piles, and achieve shared charging within the Company through self-built charging piles.

By December 31, 2023

The number of the diesel vehicles upgraded emission

1,740

The number of the new energy vehicles

1,246

The number of self-built charging piles

389

Wastewater Management

Air China strictly adheres to the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Integrated Emission Standard of Water Pollutants*, and the *Regulation on Urban Drainage and Sewage Treatment*, among other relevant laws and regulations. We comprehensively investigate the compliance of water pollutant emissions, promptly rectify related issues, and ensure that water pollutants are discharged in compliance with standards.

Air China's Main Measures for Wastewater Reduction

- Sanitary wastewater is regularly monitored to ensure that the discharge meets the standards.
- We are equipped with wastewater treatment facilities and online monitoring devices

In 2023, we treated tonnes of industrial wastewater

640,000 tonnes

industrial wastewater treatment rate

100%

Waste Management

Air China strictly adheres to laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, *Technical Policy on the Prevention and Control of Pollution Caused by Hazardous Waste*, and *Provisions on the Administration of Urban Construction Garbage*. We have established internal systems, including Waste Disposal Management Procedures and Special Emergency Response Plan for Hazardous Waste as regulations on managing hazardous waste temporary storage, and on-site emergency response measures for accidents. Furthermore, we sign the *Hazardous Waste Disposal Agreement* with third-party entities to strictly regulate the process of classification, collection, storage, and disposal of various types of waste, such as household waste, kitchen waste, in-flight waste, and hazardous waste, in order to ensure that our waste management follows the principles of "harmlessness, recycling, and reduction."

- Household waste⁶, kitchen waste, and hazardous waste are sorted out and transported to the designated waste storage area for unified recycling and treatment by third parties.
- In-flight waste is transported to the designated area of the airport and handed over to the airport for unified recycling and treatment.

By December 31, 2023

Total of kitchen waste had been disposed of properly

4,015 tonnes

Total of hazardous waste had been disposed of properly

1,338 tonnes

⁶Domestic waste data does not include kitchen waste derived from in-flight meals.

Disposed hazardous waste from aircraft maintenance (tonne)⁷

Indicator	2022	2023
Waste containers and contaminants	317.8	348.8
Waste oil	191.7	185.4
Waste cleaning fluid	180.8	162.8
Waste paint and paint-bleaching liquid/ slag	51.8	38.2
Waste activated carbon	163.3	162.0
Wastewater treatment sludge	90.1	180.1
Spent acid	40.9	51.0
Spent alkali	30.6	28.6
Waste mercury-containing fluorescent tubes	2.1	1.3
Waste reagents and detection solution	0.7	2.3
Waste batteries	0.9	1.3
Spent developer	0.1	0.3
Spent resin, waste rubber	0.2	1.1
Waste chemicals	0.9	0.2
Electroplating wastewater	40.5	0

⁷The report of hazardous waste emissions only involves Ameco's hazardous waste emissions.

Plastic Phrase-out

Air China pays close attention to the impact of plastic on the natural ecology and has comprehensively promoted special actions for plastic and waste reduction. A specific action plan for the management of plastic pollution has been developed. We have set a goal to significantly reduce the consumption intensity of disposable plastic products by 2025 compared with 2020. Following the work plan of *CNAHC Special Actions on Plastic Pollution Control (2021-2025)*, we are fully implementing the phased task goals of reducing plastic use and waste in six areas: passenger service, cargo transportation, workplace, hotels and apartments, green procurement, and plastic waste sorting and recycling.

Plastic Phrase-out Highlights

Passenger service	<ul style="list-style-type: none"> Starting from January 1, 2022, all products such as knives, forks, spoons, cups, and stirring sticks of Air China's domestic flights and airport lounges have been replaced with biodegradable materials.
Cargo transportation	<ul style="list-style-type: none"> During the transportation phase, the trial use of biodegradable plastic tarpaulins, recyclable woven bags, and recycling boxes was implemented. As of December 31, 2023, a total of 160 tonnes of biodegradable plastic film had been purchased, accounting for 18% of the total plastic film purchases; 3,000 recyclable transit bags had been deployed, and 14,300 recycling boxes had been put into use.
Workplace	<ul style="list-style-type: none"> Issued the <i>Notice on Promoting Plastic Pollution Control in Offices</i>, and implemented plastic phrase-out and prohibition requirements in all offices of Air China. Introduced environmentally friendly office supplies and offered discounts for employees who bring their own cups to purchase beverages.
Hotels and apartments	<ul style="list-style-type: none"> All hotels, guesthouses, and apartments no longer actively provide six types of disposable goods.
Green Procurement	<ul style="list-style-type: none"> The <i>Notice on the Implementation of Green Procurement</i> was issued to promote green procurement across the Company.
Plastic waste sorting and recycling	<ul style="list-style-type: none"> Waste sorting and recycling facilities have been fully installed in all buildings of the Company.

Noise Management

Air China attaches great importance to noise pollution prevention and control, adheres to the *Regulations of the People's Republic of China on the Prevention and Control of Noise Pollution* and other relevant laws and regulations, implements the Environmental Standard of Aircraft Noise around the Airport, improves noise emission and control management procedures, and reduces the impact of noise on the surrounding environment and as well as the health and safety of employees.

Use of Resources

Air China focuses on energy savings and consumption reduction, values resource protection and rational utilization, advocates the concept of cyclical resource management and actively explores the use of new energy. We are committed to creating a model of resource-saving aviation enterprise.

Water Management

Air China values the conservation and reuse of water resources, strictly complies with relevant laws and regulations such as the *Water Law of the People's Republic of China*, and has formulated *Water Management Regulations* to continuously improve the water management process. In our daily operations, we actively implement various water-saving measures, adopt advanced water-saving and environmental protection technologies, and enhance the comprehensive utilization rate of water resources.

Water Management Highlights

- Set up metering devices in the office area to monitor water consumption, providing data support for further water conservation.
- Introduced municipal reclaimed water to replace part of the tap water consumption.
- Completed the renovation of the green belts and fountain water system in the Company's headquarters buildings. This renovation could save about 6,000 tonnes of tap water per year.
- A 4,200 cubic meters rainwater storage pool was built for the main parking building project of the pilots' office area in Beijing. The rainwater recycling system is used to integrate the rainwater for irrigating the green areas of the parking building and car washing gradually.

As of December 31, 2023,

Air China and its subsidiaries had consumed

5.268 million

tonnes of water in the offices, with a per capita water consumption of

51.2 tonnes

Energy Management

Air China adheres to the concept of low-carbon and environmentally friendly energy resource management, and strictly abides by relevant laws and regulations such as the *Energy Conservation Law of the People's Republic of China* and *Measures for the Administration of Energy Conservation of Major Energy-Consuming Entities* and has formulated the *Energy Conservation and Emission Reduction Management Manual* to promote the systematic development of energy management. We actively carry out special inspections on energy conservation and environmental protection, regularly hold annual work meetings, develop energy conservation and environmental protection management platforms to automatically generate various environmental data, formulate *Energy Conservation Diagnosis Work Plans*, and integrate energy conservation and environmental protection work into our production and operations. In addition, we proactively phase out outdated equipment and processes with high energy consumption and high emissions, introduce and promote the application of renewable energy technologies, and accelerate the low-carbon transition of the value chain.



Energy Management Highlights

- The lighting system in the public areas of key energy-consuming buildings was renovated, and ordinary energy-saving lamps were replaced with radar-sensing LED lamps.
- The Air China Aircrew Dormitory project adopted a dual-system operation mode integrating solar heating and high-temperature steam heating to provide hot water for domestic use. This model uses solar heating first and then steam heating as an auxiliary heating means to effectively save energy.
- The parking building project of the pilots' office area in Beijing is designed in the open enclosure form, maximizing the use of natural light. This design reduces the energy consumption of indoor lighting, ventilation, and heating to a certain extent.
- We actively promote the application of new energy vehicles, improve the charging facilities and management system for such vehicles, and accelerate their introduction.

In recent years, LED energy-saving light fixtures having been replaced more than

31,000

The energy consumption after the renovation being about

65% of before

The electrification rate of new introduced or updated vehicles at the airport key areas being

100%

Material Management

Air China values the conservation and management of aviation materials, implements green aircraft maintenance, actively explores practices for reducing and recycling various materials, and vigorously promotes "paperless" travel service for passengers.



- Improved the efficiency of mechanical maintenance, continuously optimized the process standards for controlling components without failure, and reduced the erroneous dismantling and replacement of aviation materials.
- Promoted the recycling of aviation materials, carried out the disassembly and reuse of "beyond economical repair material" and increased the purchase and use of second-hand qualified material.
- Promoted the "paperless" travel service for passengers.

In 2023

we provided paperless service for a total of

37.2 million passengers

Biodiversity Conservation

Air China firmly establishes the ecological civilization concept of respecting, following, and protecting nature, strictly complying with the Environmental Protection Law of the People's Republic of China the Law of the People's Republic of China on Environmental Impact Assessment, the Water and Soil Conservation Law of the People's Republic of China, and other relevant laws and regulations. We strictly maintain the red line for ecological protection, as well as the quality of the ecological environment and biodiversity. We actively promote biodiversity conservation and monitoring actions, enhance the ecological protection awareness of rangers, assist in the publicity and promotion of public welfare activities, and facilitate the sustainable development of the industry and society.

Five-year action plan for the ecological protection of the Yangtze River

In 2021, Air China initiated a five-year action plan for the ecological protection of the Yangtze River and established the Air China Yangtze River Ecological Protection Fund to support local biodiversity conservation. As of December 31, 2023, more than RMB 1 million had been invested into the fund.

As the first initiative of Air China's Guardianship of the Yangtze River Ecology, "Guardianship of Gongga, Gathering Strength of Air China" represents a collaboration with the Gongga Mountain National Nature Reserve Administration in Sichuan Province. The project is located in the Ganzi Tibetan Autonomous Region of Sichuan Province. It is designed to organize public welfare activities such as capacity enhancement of rangers, provision of devices, biodiversity conservation monitoring and promotion, low-carbon concepts, and local ecological protection and restoration.

The second initiative of Air China's Guardianship of the Yangtze River Ecology is in Wuhan, Hubei Province, where we establish the "Joining Air China in Chasing Sturgeon in the Yangtze River" public welfare release station. Starting with the Chinese sturgeon, we explore the path of aquatic life conservation in the Yangtze River.

In November 2023, Air China and Mercedes-Benz launched a zero-carbon, sustainable flight and a rare Yangtze River fish species releasing activity together under the theme "Zero-Carbon Journey." This green and ecological flight demonstrated the concept of "carbon-neutral flight," with all carbon emissions generated by the flight being offset by the carbon sequestration from the VCS forest management project purchased by Air China and Mercedes-Benz. After the flight from Beijing to Wuhan, passengers were invited to release rare Yangtze River fish species such as Chinese sturgeon, long-snout catfish, and Chinese high-fin banded sharks at the Wuhan Fishery Administration Wharf. This activity allowed all passengers to enjoy a new "zero carbon" experience.



Air China Guardianship of the Yangtze River Ecology project



Releasing the Chinese sturgeon



The ceremony of "Joining Air China in Pursuing Sturgeon in the Yangtze River" public welfare releasing station



Releasing rare fish species such as the Chinese sturgeon and the Chinese high-fin banded shark

Air China follows national laws and regulations, local standards, and industry requirements, and strictly carries out environmental impact assessments. We strictly enforce environmental impact assessment for newly-built, expansion, and renovation projects, requiring that environmental protection facilities be designed, built, and put into use concurrently with the main project, thereby minimizing the impact of the operation process on the surrounding natural ecology and biodiversity.

Corporate Green Responsibility

Air China advocates for its employees to practice environmental protection and low-carbon, green office concepts, enhancing their awareness of energy conservation and emission reduction, and guiding them to save energy in their work, reducing the operational impact on the environment. Every year, we allocate special funds for environmental protection training and publicity, enhancing employees' awareness of low-carbon development and carbon reduction. This also helps them better understand the green and low-carbon concepts, making the concepts a part of their mindset and actions.

Air China has established an energy-saving and ecological environment protection statistical information system, and developed and launched an environmental protection dictionary, providing employees with knowledge retrieval services for energy-saving and environmental protection policies and regulations.

We have invited experts from the National Bureau of Statistics, the Capital Power Exchange Center, Tsinghua University, and other institutions to conduct online and offline green-themed training sessions for key internal staff. The main content of these sessions includes policies related

to the "dual carbon" strategy, energy conservation and environmental protection regulations, energy statistics, and green electricity trading. A total of 133 staff members have been trained, with a total duration of 798 hours.

The National Energy Conservation and Ecological Environment Protection Statistical Information System has collected

104

national-level energy conservation and environmental protection laws and regulations.

local-level energy-saving and environmental protection standards

90

corporate energy saving and environmental protection policies

7

Air China releases a green and low-carbon action initiative

Air China has issued a green and low-carbon action initiative to its employees, advocating for the establishment of green development concepts among its staff, and the adherence to green and low-carbon office habits, low-carbon travel methods, low-carbon lifestyles, etc. We are also conducting knowledge quizzes on the "dual carbon" strategy, resource-saving society, major protection of the Yangtze River, SAF, and plastic pollution control.

Nearly 40,000

employees made the green and low-carbon commitment

Over 30,000

employees participated in green and low-carbon activities



Green and low-carbon action initiative (excerpt)

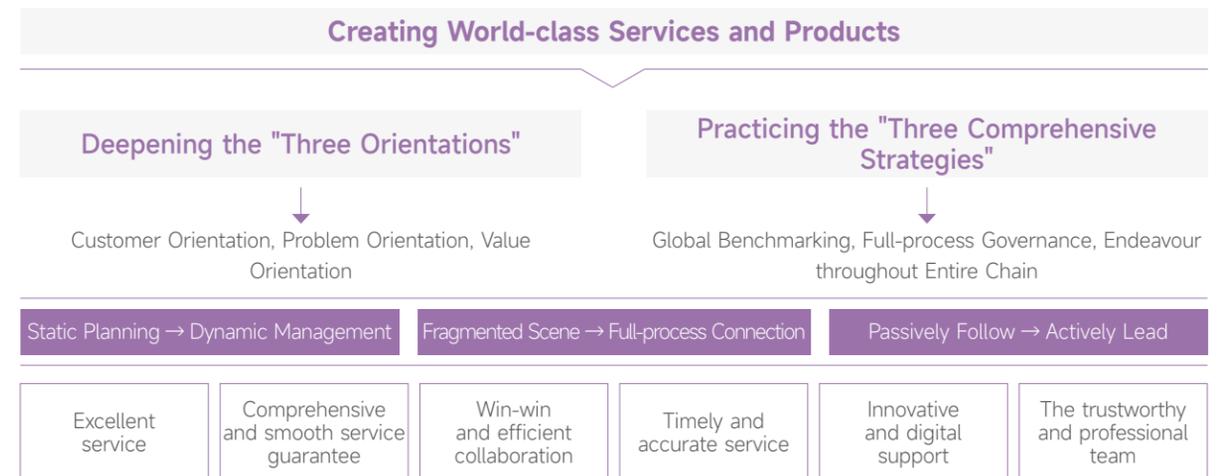




04

Quality Service

Air China will consistently provide sincere service, improve the management of service quality, continuously innovate service products, promote digital services, enhance service capabilities, and provide passengers with world-class services.



The "14th Five-Year Plan" in the Service Scope

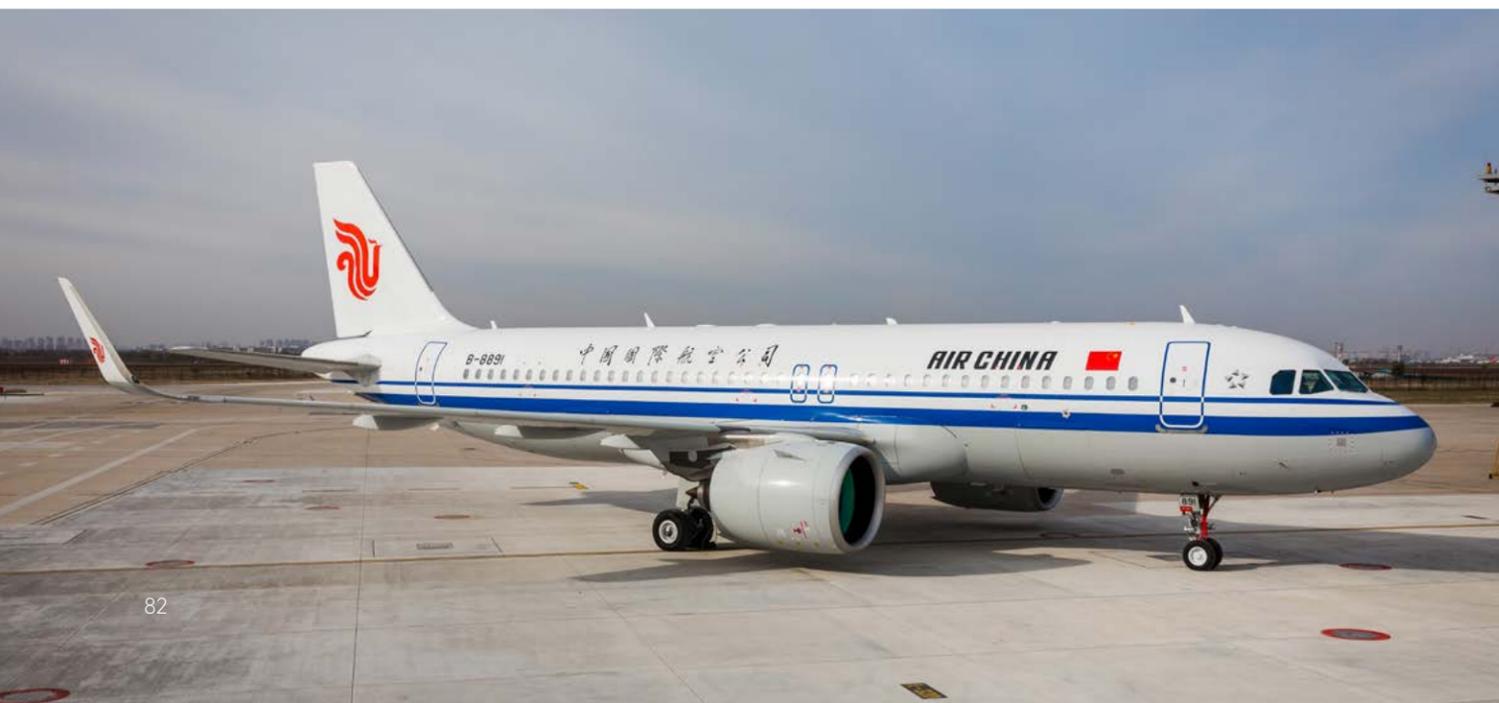
Service Quality Management

Air China continuously improves the *General Rules for Service Standard Management* and the *Service Standard Document Compilation Specifications* and formulates and issues documents such as the *Service Standard Document Management Procedures*, strengthening the quality management system, perfecting the top-level design and management structure of service standard management, promoting the digital transformation of service management, and continuously enhancing service quality management.

Service Quality Management Measures

- Optimized the *Service Quality Inspection Management Regulations*, and formulated and issued documents such as the *Service Quality Management System Usage Management Regulations* and the *Service Quality Risk and Hazard Management Regulations*.
- Integrated the internal audit of the service quality management system, statutory self-examination, service presentation inspection, and special inspection to achieve a comprehensive inspection, enhancing organizational efficiency.
- Established and optimized the service inspection item database system, covering all standard inspection items, while supporting the generation of personalized inspection task lists to allow better planning of the inspection focus.
- Formulated clear and practical evaluation criteria to ensure the quality of inspections, and assessed each non-conforming item, observation items, improvement suggestion, and management highlight individually.

Air China invited the China Quality Certification Center (CQC) to verify the conformity, suitability, and effectiveness of the Company's service quality management system in accordance with the ISO 9001:2015 standard and the CAAC's *Guidelines for the Construction of Public Air Transport Passenger Service Quality Systems*, among other requirements. This was done through interviews, sampling, and other methods to collect audit evidence. During the reporting period, 10 Air China subsidiaries, 7 business management units, and 3 management support divisions with audit qualifications passed the service quality management system certification.



Safeguarding the Rights and Interests of Passengers

With the purpose of satisfying passenger needs, Air China fully ensures the normal operation of flights, listens to passengers, strictly protects the security of their personal information, upholds responsible marketing, and safeguards passenger rights.

Guaranteeing Flight Regularity

Air China continuously carries out refined management for irregular flights. When facing irregular flight conditions, we always center on the needs of passengers, ensuring the normal operation of flights with efficient and professional service.

Measures to Guarantee Flight Regularity

- **Flight regularity assessment and statistics:** Conducted publicity and guidance for the assessed entities, completed the operational assessment items and target value settings and introduced data collection and regularity analysis projects to provide a scientific basis for the assessment work.
- **Flight regularity management:** Analyzed the reasons for flight delays and discussed typical cases in special seminars to develop improvement measures and strengthen flight regularity management.
- **Irregular flight analysis:** Sorted out issues with irregular flights and prepared analysis reports to help improve management capabilities.
- **Strengthening internal regularity management of the Operation Control Center:** Enhanced the communication and collaboration among various departments involved in managing irregular flights to improve management level.



In 2023, the flight punctuality rate* reached

87.94 %

higher than the industry average

0.14 pts

the flight execution rate was

99.2 %

maintaining the same level compared with the previous year



*The flight regularity data covers those from Air China, Beijing Airlines, Dalian Airlines and Inner Mongolia Airlines.

Response to Customer Demands

Air China strictly complies with national and industry-related laws and regulations, revises internal systems such as the *Complaint Management Regulations*, the *Passenger Satisfaction Survey Management Regulations*, the *Service Reward and Punishment Management Regulations*, and the *Management Regulations for Service Remediation Authorization*, and improves the protection of passenger rights and the complaint management mechanism, listening to every passenger and respecting their needs.

Air China also has established a rigorous complaint response and feedback process. We have divided the process into three levels of management. The first-level departments are responsible for establishing and improving the Complaint Management Regulations and improving the overall service process. The second-level departments are responsible for the complaint management and monitoring of their respective entities, while also assisting the third-level departments in their complaint handling. In 2023, a total of 10 monthly complaint case analysis meetings were held, 15 typical cases were reported, and 23 dynamic service rectifications were issued, with a focus on improving issues found in ticket service policies, cabin service procedures, and standards for special passenger service.



Service Performance of Air China and Its Subsidiaries in 2023*

International luggage loss rate (pieces/ thousand passengers)

1.78

Domestic luggage loss rate (pieces/thousand passengers)

0.12

Total number of passenger complaint cases from all channels (cases)

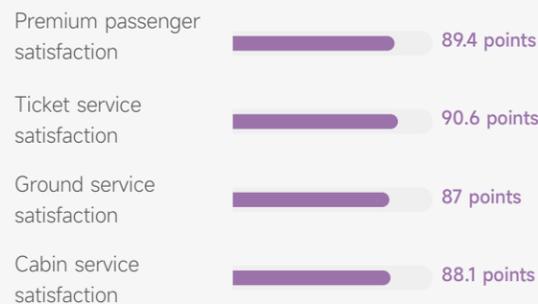
27,000

Passenger complaint handling rate

100 %

Passengers' overall satisfaction

88.4 points



* Passenger complaint, satisfaction, and luggage loss rate data cover Air China, Beijing Airlines, Dalian Airlines, and Inner Mongolia Airlines.

Privacy and Data Security

Air China complies with the *Personal Information Protection Law of the People's Republic of China*, the *Cyber Security Law of the People's Republic of China*, and other relevant laws and regulations. We have formulated and issued the *Privacy Policy* and *Data Management Regulations for China National Aviation Holding Corporation Limited and Air China Limited*. These regulations cover all business operation units, subsidiaries, and suppliers, which clearly outline to passengers the principles, processes, requirements, and protective measures regarding the collection, processing, use, storage, and protection of personal information, ensuring passengers are informed and consent before any collection, processing, and use of their information to safeguard their legal rights and interests. Air China pledges not to rent or sell passengers' personal information to third parties and will only provide such information after confirming the passengers' explicit consent and only for the purpose of completing transactions and services. Furthermore, based on the terms of the *Supplier Management Regulations*, we establish management requirements for customer privacy and data security assessment during all stages of supplier admission and evaluation.

Air China regularly conducts passenger privacy risk assessments and has established a Cybersecurity Management Committee as the highest decision-making body for information security management. The committee is led by Air China's leaders, with the Information Management Department serving as the office to coordinate the work of cybersecurity management. The Commercial Committee, working with specialized departments, oversees

the implementation of the privacy governance management mechanism and conducts effectiveness reviews. During the reporting period, Air China obtained ISO/IEC 27001 certification (with a coverage rate of 100% for products and services), PCI-DSS certification, and all core systems passed the Level 3 Certification for system security protection. There were no data breach incidents.

In accordance with data protection and encryption policy requirements, Air China has established a vulnerability notification and response mechanism. By conducting security emergency drills and attack and defense exercises, we have built a sound cybersecurity system. We have hired a third-party security team to conduct penetration testing on critical information systems, identify security vulnerabilities, and fix Bugs to avoid related risks.

Air China has invited several external independent auditing or testing agencies to review and inspect the Company's information systems and policies, ensuring the security and stability of the information systems and compliance management. In 2023, Air China conducted one internal audit and three external audits, including the CAAC's aviation security audit, cybersecurity level protection assessment, IATA IOSA audit, and safety inspection by third-party professional technical agencies, achieving a 100% compliance rate for the rectification of medium and high-risk items.



Customer Access

- Customers can authenticate their identity through self-service channels, add or modify personal information, and cancel their accounts after password verification.
- Customers can choose not to retain the original image for facial recognition.

Passenger Privacy and Data Security Management Measures

Secure Information Storage	Technical Support	Specialized Training
<ul style="list-style-type: none"> We comply with the requirements regarding the location, method, and duration of personal information storage as stipulated in the Privacy Policy, and adopt technologies such as encryption and de-identification for information storage. Internal use must go through a security and compliance review process to protect the personal information rights and interests of passengers. Regarding the storage of passenger information, we will store passenger information for the shortest possible time, and upon exceeding the time limit, we will delete or anonymize the personal information of passengers. 	<ul style="list-style-type: none"> We adopt multiple technical measures, including intranet access, multi-level in-depth protection, vulnerability scanning, web application protection, and data backup to monitor information security devices in real-time, and implement focused management and control over critical information systems and personnel, ensuring data security and system stability. We receive, promptly report, and handle cybersecurity information and intelligence from various reporting centers, ensuring timely responses to external security incidents and vulnerability threats. We conduct penetration tests on core business systems annually, promptly patch vulnerabilities, and enhance security protection capabilities. We also ensure the security of outgoing data by employing email and boundary anti-leakage systems. In 2023, Air China carried out data security compliance assessments for the e-commerce innovation system, comprehensively improving data security compliance. 	<ul style="list-style-type: none"> To enhance employees' awareness of protecting private data, Air China has issued the <i>Notice on Conducting the 2023 Data Security Inspection Work</i>, explaining to all employees the relevant laws and policy requirements regarding privacy and data security. We carry out training on phishing emails and Cybersecurity Week activities, with the aim to enhance employees' awareness of cybersecurity and strengthen preventive measures to ensure the security of personal and company information. In 2023, we conducted information security awareness training for 22,708 person-times, involving 12 related entities and departments. All outsourced personnel and suppliers must complete information security training before starting to work in their positions to ensure they possess the necessary awareness and knowledge of information security.

Responsible Marketing

Air China complies with the principle of integrity in management, strictly follows laws and regulations such as the *Advertising Law of the People's Republic of China*, and has formulated and issued internal management systems such as the *Announcement on Further Standardizing the Application of Marketing and Promotional Materials* to regulate the marketing behavior of employees. Air China requires its marketing personnel to keep the bottom line, eliminate any form of false marketing, and ensure that processes are standardized, information is disclosed, and promotions are truthful. In marketing activities, we disclose information on legal risks and activity terms to the public, clarify the existing risks of projects, protect customers' right to know, effectively prevent transaction risks, and avoid potential disputes and litigation arising from inadequate information disclosure.



Sincere Service

Air China regards service quality management as a key element in enhancing passenger experience. We gain the trust of passengers by continuously optimizing service processes and improving the staff's service level with sincere service.

Passenger Service

Air China focuses on the details of passenger service, from comfortable seats to a rich selection of meals, from friendly cabin crew service to considerate ground staff assistance, always committed to providing every passenger with a warm, comfortable, and reassuring flying experience.

<h4>Air Ticket Products</h4> <ul style="list-style-type: none"> We have launched the ticket products suitable for group travel and the "Dual-City Pass" product for frequent travelers between two cities, increased travel discounts for young students and the elderly, introduced "Student Zone" and "Senior Rights Card" products, and continuously improved user experience to establish a solid reputation among the youth and elderly. As of December 31, our ticket products had been offered to 225,200 people. 	<h4>Free Value-added Service</h4> <ul style="list-style-type: none"> We have launched accommodation products for transfer in Beijing, Shanghai, Chengdu, Chongqing, Hangzhou, Wenzhou, and Tianjin, as well as the Beijing transfer timed rest lounge product. The limousine service for business and first class now supports international airport pickup service, with Xiamen being a new location. The Mercedes-Benz EQE new energy vehicle model is now available, covering the express line cities. The joint air-bus products have been launched in Shanghai, Hangzhou, Chongqing, Guangzhou, Changsha, and Baoding. Both Beijing Capital International Airport and Beijing Daxing International Airport have introduced air-rail products As of December 31, various types of free value-added products had been offered to 259,200 people.
<h4>Cross-airline Boarding Service</h4> <ul style="list-style-type: none"> We continue to expand the range of cross-airline boarding, initiating cross-airline boarding service for domestic and international transfers via multiple locations such as Beijing, Hangzhou, Guangzhou, Tianjin, Shenzhen, and Shanghai to meet the diverse travel needs of passengers and continuously improve the transfer flight service experience. 	
<h4>Mobile App Ticket Change Service</h4> <ul style="list-style-type: none"> In April, Air China APP launched the involuntary changing application for international and regional flights, offering self-service flight changes within two months before or after the planned travel date of the original ticket. In early August, the scenario of involuntary changes being made simultaneously to international/regional tickets for multiple passengers (including "adults + children") was updated. At the end of October, the application of involuntary changes being made simultaneously to international/regional tickets for multi-trip was added to reduce the pressure on manual services while providing users with a faster and more convenient ticket change experience. As of the end of December, 829 involuntary change orders for international and regional flights had been completed. 	

Smart Travel Service

- In 2023, we fully restored remote check-in for domestic/international flights, completed the trial operation for automatic check-in, and launched differentiated electronic boarding passes for frequent travelers and personalized background for express flights destinations. By the end of December, the proportion of remote check-ins reached 54%, with a year-on-year increase of 17 percentage points. Domestically, remote check-in was launched at 141 airports, of which 134 airports supported QR code electronic boarding passes; internationally and regionally, remote check-in was launched at 56 airports, of which 10 airports supported QR code electronic boarding passes.

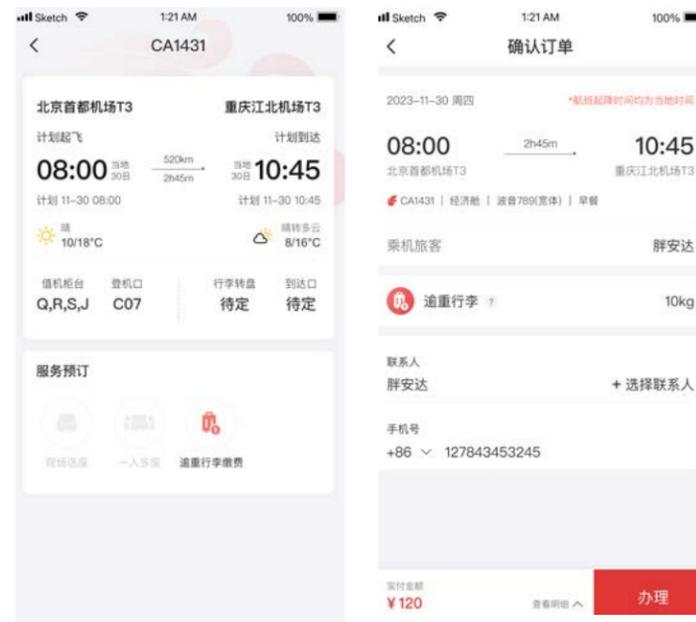


Full-process Baggage Service

- In 2023, we continued to expand the range of supported flight routes, adding full-process baggage tracking services for 23 new airports. By the end of December, baggage status inquiry services had been launched for a total of 53 airports, including 47 domestic airports and 6 international and regional airports. The full-process baggage tracking services had been provided 537,000 times, and 7.36 million pieces of baggage status information had been pushed to passengers.

Scan and Pay for Excess Baggage

- Air China has actively implemented the CAAC's requirements for the development of smart civil aviation, optimized the process for excess baggage charges, and provided electronic payments for excess baggage. Passengers can pay for excess baggage fees online by scanning a code or recognizing the boarding pass QR code through the Air China APP, enjoying a more convenient travel experience. By the end of December, passengers had completed a total of 3,259 online payments for excess baggage fees.



Self-operated Lounge

- We continued to build the branded lounges, adding two new lounges in the Hangzhou T4 domestic terminal, and one new lounge in the international terminal, and constructed and put a new lounge in Guiyang into operation.
- In both Beijing and Hangzhou, three sessions of the "Fengtinghui" collaborative cultural exhibition were held in the Self-operated lounge.
- Air China launched the first self-service access application based on facial recognition in the domestic lounge in Hangzhou.
- A children's entertainment space was introduced in the Self-operated lounge.

In-flight Entertainment

- On a total of 23 aircraft in the B787 and A350 fleets, we implemented the China Red in-flight entertainment system graphical user interface (GUI).
- We continued to optimize in-flight entertainment programs.

In-flight Networks

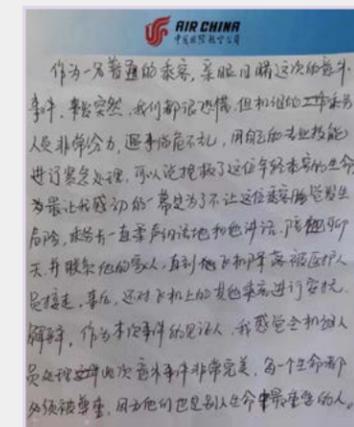
- Air China offered two types of network modes: in-flight cabin LAN and onboard Internet, providing passengers with convenient in-flight network services.

In-flight Meals

- We introduced new onboard dining options, including a variety of festival-themed, Asian Games-themed meal boxes and bags for holidays and major events.
- We cooperated with the Sichuan Restaurant under the Quanjude Group to introduce Sichuan cuisine specialties, launching dishes such as the developed Quanjude sliced duck.

CA8555's Emergency Landing for a Passenger with Paroxysmal Disease

On May 4, 2023, on flight CA8555 from Wenzhou to Kunming, the cabin crew suddenly received a distress call from a passenger: the person sitting next to him had suddenly fallen ill and was unconscious. The chief flight attendant, Li Yujiao, immediately reported it to the captain, Wu Xiaofeng, and mobilized the crew for emergency rescue, while also using the plane's broadcast system to seek medical personnel among the passengers for assistance. After receiving treatment, the passenger slowly regained breathing and consciousness, but Li Yujiao still knelt beside him, checking his breathing and continuously shouting "Don't sleep" to prevent him from falling unconscious again. The flight was still two hours away from Kunming. Considering the passenger's health condition, the captain decided to make an emergency landing at Changsha Huanghua International Airport. After the plane landed, the patient was promptly transferred to a hospital by ambulance.



Message from the Passenger

Online Customer Service

- After launching the official website and the Air China APP, Air China launched an online customer service on its mobile official website (H5 website) in April 2023 to meet the diversified communication needs of passengers, expanding the coverage of automated and self-service customer service. The launch of updated frequently-used application and customer manager system-related applications provide a easier access to the application and ways of displaying information, enhancing the efficiency of self-service.

Special Passenger Service

Embracing warmth and care as its core value, Air China's special passenger service is dedicated to creating an accessible and reassuring aviation experience for every passenger. We not only offer a comfortable and easy travel environment but also actively promote service innovation, providing more convenient and caring services for passengers with mobility difficulties and special needs.

- Air China APP has launched a booking service for unaccompanied minors.
- We have optimized the meal selection criteria to ensure that non-spicy meals suitable for children are included in the regular meal plan.
- Air China provides baby bassinets in business class, premium economy class, and economy class on flights operated with B747/B777/B787/A330/A350 aircraft.
- On the Air China APP and the official website, passengers could book the service of point-to-point transportation of small animals on flights operated by Air China and bearing Air China flight numbers.



- Free in-flight wheelchair services are provided for passengers who are physically fit to fly but do not have the ability to move independently. This service assists passengers in moving to or from their seats on the plane, going to and from the restroom, etc.
- We provide services such as handling check-in procedures and assisting with luggage check-in/pick-up for passengers with hearing and visual impairments.

Air China Employee Offers Help to a Blind Passenger

On February 14, 2023, in the parking lot of Terminal 2 at the Beijing Capital International Airport, a blind passenger was found in trouble. Huang Xiaoling, an employee from the ground service department who was off-duty at the time, learned about the situation and offered help. With Huang's assistance, the passenger finally reached the destination at Terminal 3 and completed the boarding procedures.



Air China Special Passenger Service Area

Digital Service

Air China highly values the innovation and upgrade of digital services. By introducing advanced technology and intelligent systems, we not only enhance management efficiency but also provide more high-quality services to passengers.

Business Innovation

- Air China has fully implemented the new Load Planning System (LDP) for flights departing from Beijing starting at 00:00 on February 27. The full activation of this system, as a key project in the digital transformation of the Ground Service Department's Load Balance Center, marks an important innovation of load balance work in promoting high-quality development among domestic, international, and domestic code-share flights, providing strong support for the construction of smart, world-class hub airports.

Full-process Service

- Air China promotes a one-stop service program, improving the process for excess baggage charges to reduce the time passengers spend going back and forth to the counter for payment and enhancing check-in efficiency.
- The departure room of Air China's Ground Service Department has been continuously advancing the "centralized departure control" program, optimizing the full-process service chain, and improving operational efficiency and service quality.

Marketing Service

- Air China has launched the "Flight Delay Service" program, which integrates ticketing service resources from both Terminal 2 and Terminal 3 of the Beijing Capital International Airport, as well as the Beijing Daxing International Airport, digging the support capacity of "Two Airports" to ensure capacity and provide guarantees through coordination. Since its initiation in February 2023, the program has facilitated smooth rebooking for 1,632 passengers through outbound calls, achieving preliminary success.
- Air China has achieved easier electronic service compensation operations through in-depth research and has increased the usage rate of electronic service compensation by promoting innovative methods such as notice boards, instructional videos, and SMS notifications, winning widespread recognition from passengers.



Electronic Service Compensation



Employee Development

Adhering to the principle of putting people first, Air China respects and safeguards the rights and interests of every employee, attaches importance to the growth and development of its employees, and considers their growth and health as the cornerstone of the Company's development, pursuing common development of employees and the Company.

- Strengthen organizational management, optimize the Group's management system and organizational structure
- Build a contingent of high-quality employees and strengthen the talent development matching the Company's strategic
- Speed up the transformation of operating mechanism and enhance the internal motivation of the team
- Improve the efficiency of human resource allocation in a systematic way and promote high-quality development

The 14th Five-Year Plan for the Human Resources Scope

Employment and Employees' Rights and Interests

Equal Employment

Air China strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Rights and Interests of Women*, and other national laws and regulations, based on which develops and keeps improving employee management systems.

We strictly ban any form of child labor, or forced labor and resolutely resist discriminatory behaviours against employees due to nationality, age, race, gender, religion, diseases, psychological or physiological conditions, or other factors. We resist workplace harassment and bullying, and promise to treat every employee fairly and justly, while safeguarding the legitimate rights and interests of employees. In the event of a violation, the Company will handle the situation in accordance with applicable laws

and regulations, as well as relevant provisions such as the *Punishment Regulations for Labor Discipline Violation*. During the reporting period, Air China had no violations of child labor, forced labor, or discrimination. Adhering to the recruitment principles of "merit-based admission and fair competition", Air China flexibly adjusts its selection mechanism and formulates annual recruitment plans based on the Company's development plans and current human resources situation. We broaden our recruitment channels and make full use of internal recruitment, campus recruitment, and social recruitment to ensure that the quantity, quality, and structure of our talents meet strategic and business needs. In 2023, we formulated the *Notice on Strengthening Open Recruitment* to improve the market-oriented employment mechanism of "inward and outward", clarifying that subordinate units should broaden recruitment channels, implement talent attraction and gathering measures, and continuously optimize the talent structure.

Air China has established long-term, harmonious, and stable labor relations with its employees, fully respecting the rights of all employees to freely associate and engage in collective bargaining. It has formed a list of three special collective contracts: the *Collective Contract*, the *Special Collective Contract for Labor Protection*, and the *Collective Contract for the Protection of Female Employees' Special Rights and Interests*.

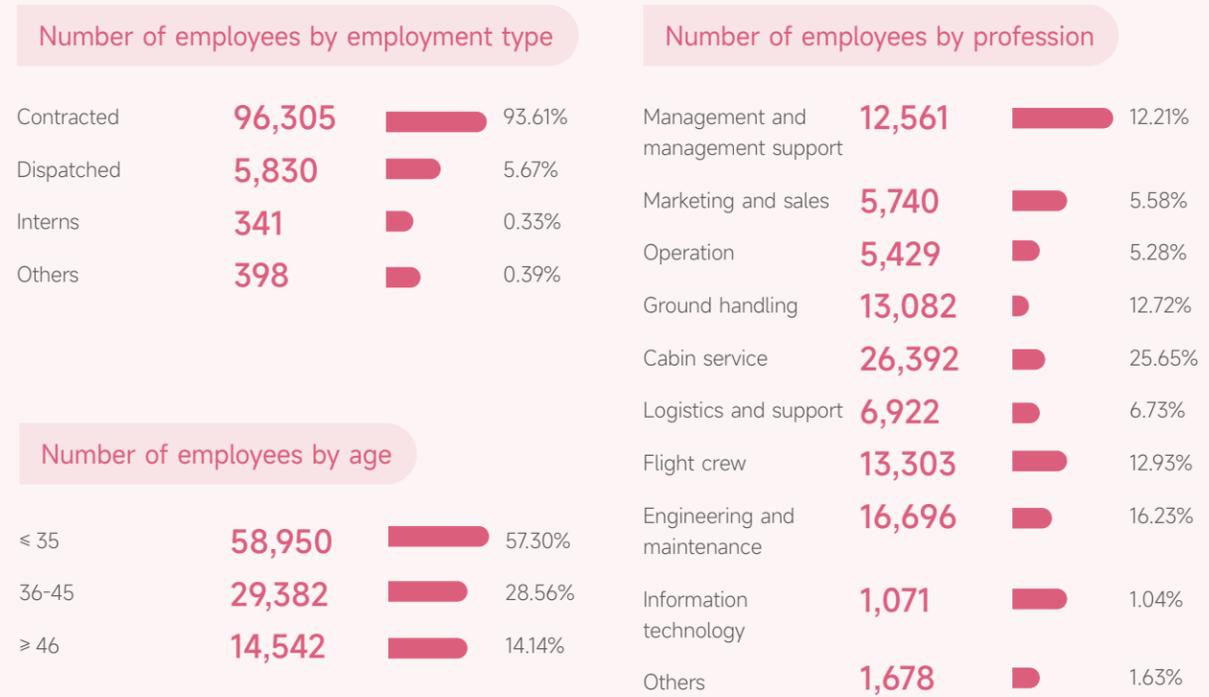
In 2023, Air China had

102,874 employees

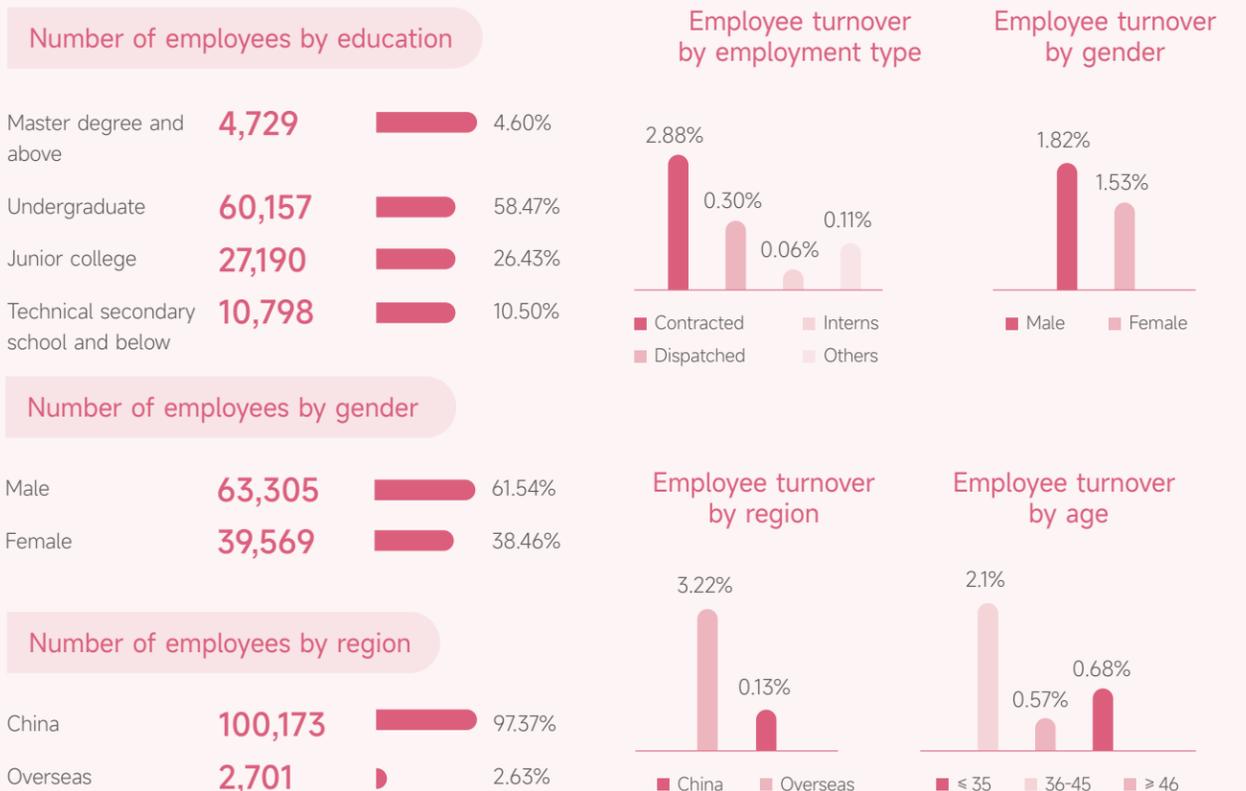
Labor contract signing rate reached **100%**

Percentage of employees covered by collective bargaining agreements was **100%**

Employees of Air China and Its Subsidiaries in 2023



* The total number of employees reported in 2023 is consistent with the annual report. Compared to 2022, the statistical data this year has included the personnel from Shandong Aviation Group Corporation.



Democratic Management

Air China respects the right of employees to participate in the Company's democratic management and upholds employees' right to be informed, to participate, to be heard, and to oversee. In 2023, we developed the *List of Matters to Be Reviewed by the Workers' Congress and the Joint Meeting of Heads of Its Delegations of Air China Limited* to orderly promote the construction of the working mechanism for Workers' Congresses. To strengthen primary-level democratic management, we supervise primary-level units to establish a more comprehensive "1+M+N" system for Workers' Congresses. This year, Air China held two Workers' Congresses, during which the Company's work report was reviewed and approved; employee directors and supervisors were elected, and proposals were submitted by employee representatives. In addition, proposals from employee representatives were all properly resolved during the reporting period.



Held Workers' Congresses in the year

2 times

Processing rate of employee representatives' proposals was

100%

The number of employee representatives participated in the training courses

80

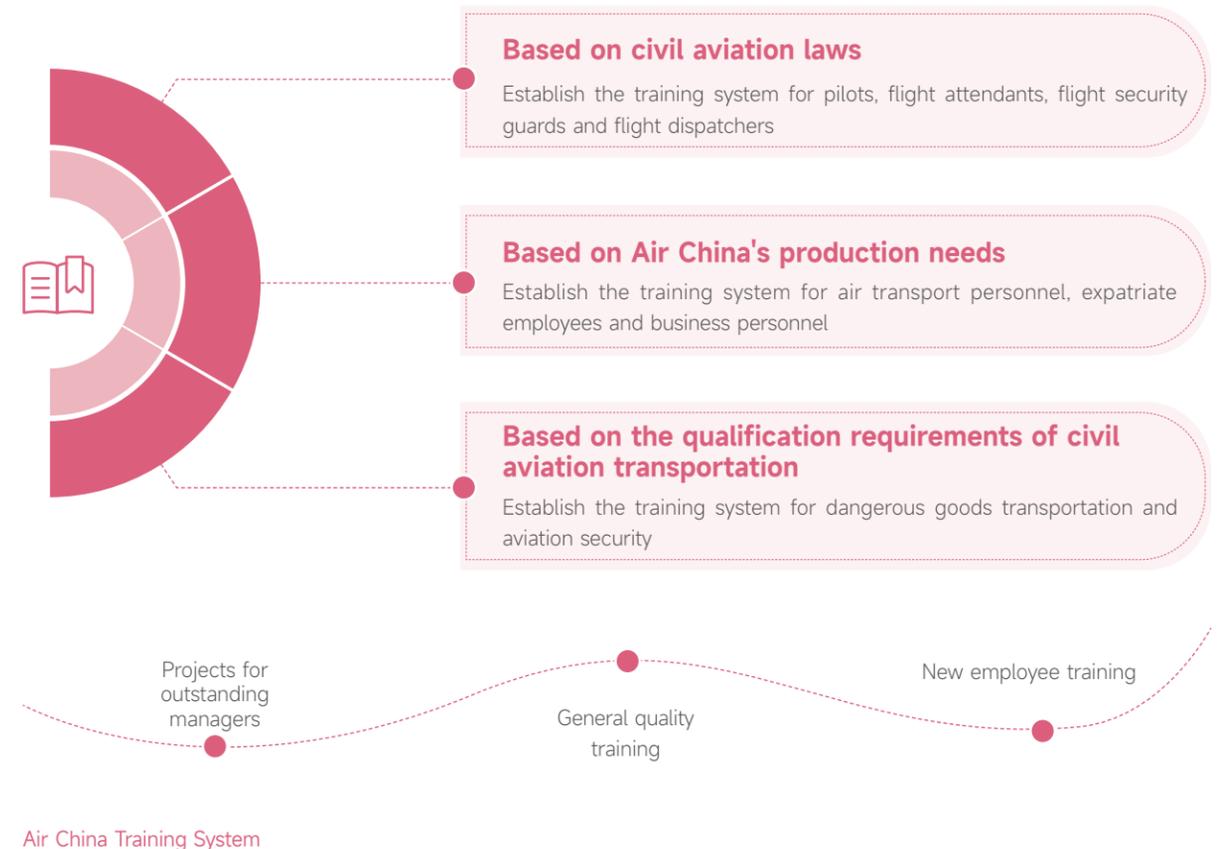
Employee Training and Development

Air China attaches importance to the growth and development of its employees, emphasizes talent empowerment, and regards talent development as an important driving force for the development and success of the Company. We make continuous efforts to optimize the design of career development channels and guide employees to improve their education and technical skills, in a bid to achieve common development of employees and the Company.

Training System Construction

Adhering to the training philosophy of "strengthening the foundation, enhancing capabilities, and promoting development", Air China vigorously promotes employee training and development, and is committed to building a skilled, high-quality, and dedicated talent team. We further enrich the training system covering various fields and provide multi-level and multi-form training courses for our employees. We establish annual training plans based on requirements for different posts and invite external experts to participate in course design and teaching, providing targeted education and skill enhancement courses for employees.

In this year, we revised or formulated 8 regulations on training, including the *Compliance Training Outline and the Training Outline on Work Style for Safety Practitioners*. We completed the development of a total of 32 training programs, including training for the flight, cabin service, flight dispatching, digitalization, and general business, and developed 156 new courses to effectively meet the Company's training needs.



Leadership Training

Training Programs for Young Cadres

- In 2023, Air China organized and implemented 3 sessions of basic rotation training courses for young cadres, benefiting a total of 76 personnels; We organized and implemented an exchange training program to Macau Airlines, benefiting 8 personnels; We also organized and implemented 1 session of the Rolls-Royce Singapore International Training Program, benefiting 12 personnels.



State-owned Enterprise Management Training Program for Senior Managers

- In 2023, the Company organized and implemented 2 sessions of State-owned Enterprise Management Training Program for Senior Managers for newly appointed senior managers, with a total of 93 trainees.



General Quality Online Training

- We organized online learning on topics such as Carbon Peaking and Carbon Neutrality cases and Chinese path to modernization at the China E-learning Academy for Leadership, and more than 1,700 employees participated in the training.
- We sorted out and updated the content on the platform of "Air China Leadership". We have launched 9 series of online thematic courses, including the Central Economic Work Conference, Work Safety, and benchmarking against world-class standards. A total of 70 courses were updated throughout the year, and the platform has accumulated 1,831 courses in total. The cumulative learning hours on the platform throughout the year reached 98,000 hours, with an average of 16.78 hours per employee.



Continuing Education of Employees

Program of High Education for Civil Aviation Employees

Air China continued to carry out the program of High Education for Civil Aviation Employees to assist Air China employees in achieving a "dual improvement" in education and ability. The program of High Education for Civil Aviation Employees is a program jointly launched by the Civil Aviation Administration of China and the Open University of China, with online teaching as its basic form, providing students with academic education and vocational skills training through a combination of online and offline teaching methods. The undergraduate and vocational education programs under High Education for Civil Aviation Employees are designed to be 2.5 years. After completing the required credits for compulsory and elective courses in relevant majors, and passing the corresponding exams and appraisals as required, students will receive nationally recognized graduation certificates and degree certificates belonging to the national education series.



In 2023, the number of Air China employees graduated was

798

the number of employee won scholarship was

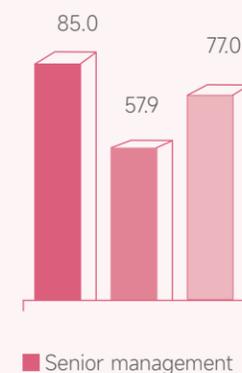
1,545

scholarship of RMB

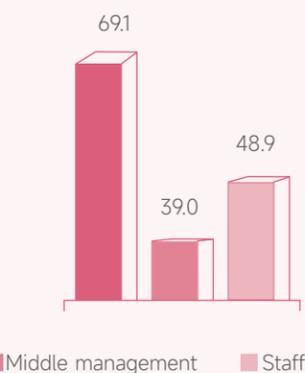
1.0642 million

Training for Air China and its major subsidiaries in 2023¹⁰

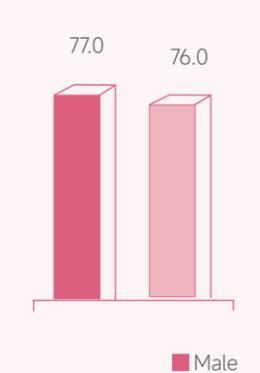
Percentage of trained employees by rank (%)



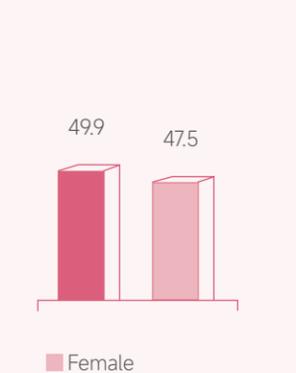
Average training hours per employee by rank (hours)



Percentage of trained employees by gender (%)



Average training hours per employee by gender (hours)



¹⁰ Employee training data in 2023 covers Air China and its major subsidiaries of Beijing Airlines, Dalian Airlines and Inner Mongolia Airlines.

Employee Career Development

Employees form an important engine for the sustainable development of the Company, so Air China has long been committed to working together with its employees for common development. We have established a graded and classified talent management system to build talent team. We have improved the whole chain management mechanism of "selection, cultivation, management and employment", and formed a good situation for talents to be attracted, retained and employed. In 2023, we advanced in the establishment of a professional qualification level system for professional

talents. In accordance with the Notice on *Establishing CNAHC's Professional Qualification Level System for Professional and Technical Talents*, we have clarified and optimized Air China's qualification evaluation dimensions for professional talents, in a bid to achieve unified and standardized management. On this basis, we carried out the work on the establishment of a professional level system in flight crew dispatching, clarifying the standards to facilitate employee promotion and reasonable employee mobility.

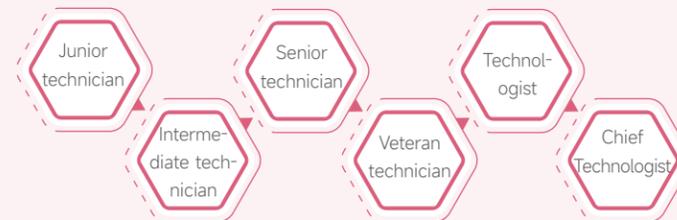
The jobs of internal transfer or internal recruitment

112 people

The rate of assessments that employees regularly received

100 %

Air China's Professional Qualification Level Standards for Professional and Technical Talents



Occupational Health and Safety

Air China always regards the health and safety of its employees as its top priority. We adhere to the highest standards of occupational health and safety management, promise to respect the right of employees to enjoy healthy and safe working conditions, and actively build the occupational health and safety system, making every effort to protect employees from occupational health and safety hazards.

Engaging in Occupational Disease Prevention and Control

Air China conscientiously implements laws, regulations, and work requirements such as the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Provisions on the Administration of Occupational Health at Workplaces*, and the *Notice of the General Office of the National Health Commission of the People's Republic of China on Further Strengthening Occupational Health Training for Employers* to continuously strengthen the prevention and control of occupational health hazards and comprehensively guarantee the life and health of employees. In 2023, based on the previous "1+N+n" management system, the Company formulated and issued the *Management Measures for Occupational Health Archives of CNAHC and Air China Limited* and the *Management Measures for Occupational Health Education and Training of CNAHC and Air China Limited*, further

consolidating the management foundation for prevention and control of occupational diseases.

In terms of occupational health and safety risk assessment, Air China carried out detection and assessment for hazard factors of occupational diseases by position, identified safety hazard factors for different positions including noise and chemical substances, and developed corresponding control measures and improvement plans for each position.

Air China has formulated and issued the *Notice on Issues Related to Standardizing the Workflow of Handling Work-related Injury Insurance Business* in accordance with policies such as the *Regulations on Work-Related Injury Insurance*, to protect the rights and interests of employees. In 2023, the Company lost a total of 11,105 working days due to work-related injuries.

Caring for Employees' Health

To ensure the occupational health of employees, Air China has formulated the *Employee Physical Examination Management System*, and regularly conducts classified physical examinations for employees of different professions every year in accordance with the requirements of the system, including general physical examinations for aircrews and ground staff, differential physical examinations for aircrews, and special physical examinations for female employees. The physical examinations cover targeted items to help all employees understand and confirm their physical health status. We establish employee occupational health monitoring records, truthfully inform employees of the physical examination results in written form, and organize a team of doctors and experts to provide one-on-one consultation services after the examination, providing practical and feasible health guidance and reasonable suggestions, to help employees effectively improve their health.

Air China attaches great importance to the mental health of its employees and continues to carry out psychological assistance programs to help them relieve psychological stress and maintain physical and mental harmony. We have opened the Employee Assistance Program (EAP) hotline for providing psychological assistance to employees, providing one-on-one and group mental health counseling, and inviting external experts to give training courses and special lectures on emotional and stress management, such as "Scientific Understanding of Emotions and Learning to Release Stress" and "Enneagram and Workplace Psychological Relief".

During the reporting period, the coverage rate of occupational health examinations for employees was

100 %

Air China Trade Union Conducted Psychological Training for Front-line Managers

Since the launch of the EAP in 2012, Air China has always regarded employee psychological care and happy growth as one of its core tasks. In a bid to continuously deepen EAP services, improve the mental health management and service capabilities of front-line managers, maintain the stability of the employee team, and facilitate the Company's high-quality development, the Trade Union Office held an EAP psychological training covering 100 front-line managers from September to November, which achieved positive results.



A Group Photo at the Site of a Psychological Training Activity

As of the end of December 2023, A total of

491

sessions of group counseling on mental health, special group counseling for new employees, special lectures on mental health and the EAP promotion activities were held

One-on-one psychological counseling cases were

1,558 pieces

Monthly on-site consultations were held

66 times

Dealt with crisis cases for

27 hours

Tracked and assisted employees at risk for

46 hours

Promoting Health Awareness

Seizing the opportunity of the promotion week of the *Code of Occupational Diseases Prevention*, Air China carried out education and promotion activities on occupational health and safety to strengthen employees' safety bottom line thinking and red line awareness, and create a strong atmosphere of all staff caring for and paying attention to occupational health. In addition, in collaboration with medical experts, we provided a series of lectures on employee health management, effectively driving all employees to practice the concept of healthy work and healthy life.

Live Class on Influenza Prevention for Employees

Considering the high incidence of various infectious diseases in spring, Air China, in collaboration with Peking University Third Hospital, provided three live courses given by experts on that topic. On January 12, 2023, we launched "Health Care After Influenza"; on March 30, we launched "Prevention and Treatment of Common Infectious Diseases in Spring", and on May 25, we launched "Lung Health Management". After the courses, we continued to post health notes and promotional materials of the same topic to employees on the platforms such as Wings of Air China, and Healthy Air China. We have effectively improved employees' physical and mental health management by health education through a combination of multiple channels.



An Image of the Live Class on Influenza Prevention



Poster for the 2023 Promotion Week of the *Code of Occupational Diseases Prevention*

Incentives and Care

Air China provides competitive salary and comprehensive benefits for all employees. We have established a diverse and rich employee salary, performance and welfare system, providing effective welfare guarantees for all employees of Air China.

Salary and Performance

Air China follows the concept of "paying for post value, personal ability, and performance results", building a differentiated salary and performance distribution system that matches individual abilities, is linked to business performance, and takes into account market competition. This year, Air China formulated and issued the *Notice on Deepening the Reform of Market-oriented Assessment and Incentive Mechanisms*, clarifying the difference in floating remuneration among employees at the same level in different enterprises and units, strengthening differentiated assessment and distribution efforts, and promoting salary distribution favoring outstanding backbone employees and

core talents. We improve the medium and long-term incentive mechanism based on the actual situation of the Company and actively discuss and promote equity incentive initiative, in a bid to motivate employees to seek common development with the Company. In addition, Air China further linked the salary and performance of employees, enterprise and unit leaders with such indicators as energy conservation and environmental protection, passenger satisfaction, serious service incidents and complaints, and internal customer satisfaction, to motivate managers and employees to improve their ESG management and practice.

Employee Welfare and Care

Air China values the work-life balance for its employees. It establishes and improves employee service and welfare systems, and organizes diversified employee assistance activities, as well as cultural and sports activities, in a bid to meet employees' diverse needs, enhance employees' sense of belonging and cohesion, and create a harmonious, warm, and happy workplace.

In terms of statutory benefits, Air China fully fund all employees' five social insurances and one housing fund on time. Our employees are also entitled to supplementary benefits including pension plan, supplementary commercial

insurance, and enterprise annuity. This year, the Company's social insurance coverage rate for employees is 100%. We strictly implement the requirements from the *Labor Law of the People's Republic of China* and relevant national regulations on annual leave for employees, formulate and implement the Company's attendance management system, and protect the right of employees. The leaves that the employees are entitled including statutory paid annual leave, sick leave, wedding leave, maternity leave, parental leave, and family visit leave.

Providing

RMB 46.78 million

for hot summer and cold winter employee care

Providing

RMB 506,000

for employees in need

Providing

RMB 17,000

for four long-term volunteer teachers, four poverty alleviation cadres, and three cadres serving temporary positions

Providing a mutual aid fund of

RMB 2.48 million to **124** employees with illnesses

Care for Female Employees

- We actively built the Loving Mother House, and built 9 new Loving Mother Houses throughout the year; Meanwhile, we continued to improve the environment and facilities of existing Loving Mother Houses.



Loving Mother House

- We continued to carry out mutual aid fund activities for female employees with serious illnesses. In 2023, we provided RMB1.64 million to 82 sick female employees.
- We continued to advance the publicity activities on the protection of the rights and interests of female employees.



On International Women's Day, A Professor from China University of Political Science and Law Gave a Live Lecture on the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*

Rest and Recuperation Program for Excellent Employees

From March to April 2023, Air China organized model workers and excellent employees to rest and recuperate in Zhaoping County, one of the areas supported by CNAHC. We arranged a variety of rest and recuperation activities, including visiting the projects supported by CNAHC, experiencing unique culture and local specialties, and exchanging ideas with the awardees of National May 1 Labor Medal, so that they can fully experience the beauty of the scenery and profound culture of Zhaoping County. Meanwhile, the health regimen institutions that cooperate with Air China provide professional and personalized wellness plans for model workers and excellent employees, helping them alleviate work pressure and enhance their physical fitness.



Model Workers and Excellent Employees of Air China Went to Zhaoping County for Rest and Recuperation

Sending New Year greetings to frontline employees

Following years of tradition, during the Spring Festival in 2023, Ma Chongxian, the Chairman of Air China, and the delegation visited frontline employees to express gratitude for their dedication to their work during the holiday season and sent holiday greetings and sincere wishes to everyone. Meanwhile, various units also showed care and concern for frontline employees in various forms to motivate the employees to work with enthusiasm during the Spring Festival, ensuring a safe and happy travel of passengers.



New Year Greeting Activity

Hot summer employee care activity

In July 2023, Air China launched the heat-relieving care activity. Wang Mingyuan, the Vice Chairman and President with the delegation visited the frontline workers to see into their work needs and presented heatstroke prevention supplies such as fruits and drinks, conveying greetings and care to the frontline workers who still at work in hot weather.



Hot Summer Employee Care Activity

The 5th "Championship" employee basketball Game

In September 2023, CNAHC held the 5th Employee Basketball Game. Players of Air China actively prepared for the competition, which was held in a warm and friendly atmosphere. The competition was very exciting, with many employees around cheering for the players. The players carried forward the sports spirit of "Unity, Endeavor, and Progress Ahead", showcasing the good spiritual demeanor of Air China's staff.



Employee Basketball Game

The 6th Staff Fitness Tour

On October 23, 2023, Air China held its 6th Staff Fitness Tour, with over 1,000 participants. By advocating the concept of "happy work, healthy life" and offering various forms of sports and fitness activities that employees are fond of, we bring employees from the computer and their workplaces to the sports field and nature, enabling them to experience the joy of fitness during the activities.

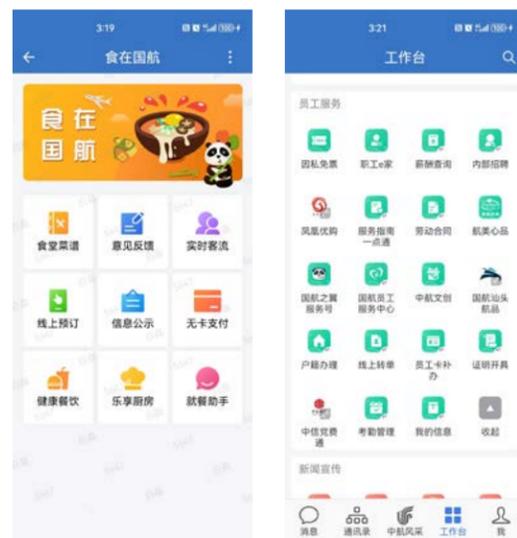


Staff Fitness Tour

Employee Service Construction

In 2023, Air China speeded up the construction of "intelligent logistics", relying on platforms such as Air China Wings 3.0 to explore the electronic process for employee service models, and complete the construction of information-based services including employee catering services. In addition, we actively conducted surveys on employee satisfaction with the employee service departments, and based on the satisfaction survey results, we improved and adjusted service content and methods promptly to strengthen employee service closed-loop management and further improve employees' experience.

Employee service satisfaction in 2023 was **95.78 points** with a year-on-year increase of **0.91 points**



Honors and Awards

- ◆ The Ground Service Department was awarded the National May 1 Labor Award; Luo Lei from the Flight Crew Department was awarded the National May 1 Labor Medal.
- ◆ Chen Youzhi from the Operations Control Center was awarded the Capital Labor Medal; The Second Squadron of AMECO North China Line Center Regular Inspection Brigade was awarded the title of Beijing Worker Pioneer.
- ◆ On September 27th, the commendation conference for Excellent Technology Leaders, Excellent Innovation Teams, Excellent Young Technology Talents and Technical Experts in state-owned enterprises and the mobilization and deployment meeting for the "Hundred-Ten Thousand-One Million" technology talent training project were held in Beijing. Peng Liansuo from the Operations Control Center of Air China won the award of "First State-owned Enterprise Technical Expert".
- ◆ In the first China Civil Aviation International Talent Skills Competition, Dai Pingping from the Planning and Development Department of Air China won the second prize in personal comprehensive awards, and was also awarded the titles of "National Civil Aviation Gold Medal Employee" and "National Civil Aviation Young Skilled Expert".
- ◆ The 18th CNAHC (Civil Aviation Air Marshal, Flight Security Guard) Vocational Skills Competition was held, and Wu Xiaoyong, Zhang Shuai, and Zhang Zhenyuan from the Air Marshal Department of Air China were awarded the honorary title of "National Civil Aviation Technical Expert".
- ◆ Zhang Weichen, Li Zhenghua, and Zhang Lei from the Information Management Department of Air China won the "Individual Excellence Award" in the second China Civil Aviation Network Security Vocational Skills Competition.



The story of Ni Zejun was broadcasted on the program "Building Dreams with Craftsmanship"

◆ We coordinated with the shooting of a documentary by CCTV's "Building Dreams with Craftsmanship" about the National Model Worker - AMECO Senior Engineer Ni Zejun. The documentary was broadcast by CCTV's "First Time" column on January 23, demonstrating the spirit of the engineer who strives for perfection.

◆ Selected and commended 50 company-level model workers, 120 advanced individuals and 80 advanced groups for the year of 2023.



06

Community Responsibility

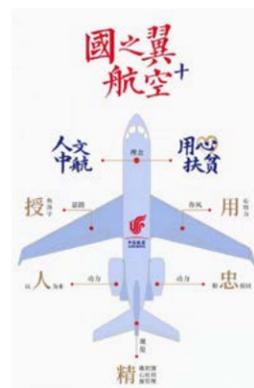
Air China has always adhered to the people-centered development ideology, actively fulfilled its social responsibilities, given full play to its strengths, and integrated all kinds of resources to contribute Air China's power to create a better society.

Rural Revitalization

Air China, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and General Secretary Xi Jinping's important view on the work of agriculture, countryside, and farmers, has deeply implemented the spirit of the 20th National Congress of the Communist Party of China, resolutely taken on the political responsibility of paired-up assistance, and made every effort to support the paired-up assistance areas. The Company consolidates and expands the achievements of poverty alleviation, and implements various tasks of rural revitalization with high quality.



Air China gradually establishes an "Aviation+" assistance model that meets the requirements of the central government and local needs, and also gives full play of the state-owned civil aviation enterprise. Following the victory in poverty alleviation, Air China has continued to focus on the revitalization of "industry, talent, ecology, culture, and organization" by formulating a "5+N" key project plan for rural revitalization. The assistance work was integrated throughout the industry chain by further expanding in-flight meals procurement and research, promoting mileage points exchanged for paired-up assistance products, and increasing publicity and promotion through aviation media and various expos.



The "Wings of Air China Aviation+" assistance model

Consolidating the Achievements of Poverty Alleviation

Air China has constructed a girls' dormitory for Zhaoping County No. 4 Middle School and built a gymnasium and sports field for Sonid Right Banner No. 2 Primary School, as well as purchased books for the primary and secondary schools and kindergartens in Sonid Right Banner.

Air China has established the Air China Blue Sky Medical and Health Fund to assist families in need, donated epidemic prevention materials to paired-up assistance areas, and effectively helped improve the capacity for emergency response in epidemic prevention and public health services in these areas, thereby further consolidating the achievements of poverty alleviation.



Air China has purchased books for primary and secondary schools and kindergartens in Sonid Right Banner, aiming to cultivate reading habits among children in the paired-up assistance areas and enrich their after-school lives

Air China invested to paired-up assistance areas for RMB

16.60 million

in basic education throughout the year

Invested in terms of medical security

RMB 2.67 million

Donated

RMB 1.87 million

epidemic prevention supplies



Air China has provided assistance in the construction of a sports ground for Sonid Right Banner No. 2 Primary School

Comprehensively Promoting Rural Revitalization

Industrial Revitalization

Industrial development is crucial to rural revitalization. Air China fully leverages its advantages and actively helps the paired-up assistance areas achieve common prosperity through various methods such as industrial assistance and digital empowerment. In the realm of building an e-commerce sales platform for agriculture and livestock products, Air China has assisted Sonid Right Banner in breaking through the limitations of traditional sales models. By utilizing internet technology and e-commerce platforms, Air China has directly promoted the quality agricultural and livestock products of Sonid Right Banner to the market, improving sales efficiency and the income of local herders. In the realm of constructing a digital tea research center, Air China focuses on leveraging the advantages of data and application scenarios, promoting the deep integration of digital technology and the real economy. We have injected new momentum into the transition and upgrading of the traditional tea industry in Zhaoping County, fostering new industries, new business formats, and new models. Not only has this improved the quality and benefits of Zhaoping County's tea products, but it has also brought more employment opportunities and income sources to local tea farmers.

Air China invested

RMB 15.30 million

in industrial assistance funds



Zhaoping County General Mountain Group Tea Technology Backyard

Construction of a photovoltaic power station

Air China actively responds to the national call for green development and utilizes the abundant solar energy resources in Sonid Right Banner to construct photovoltaic power generation projects. This not only helps to reduce local consumption of fossil fuels and environmental pollution but also provides the local people with sustainable clean energy, effectively promoting the harmonious development of the economy, society, and environment.



Assisting in the construction of village-level photovoltaic power stations

Air China organizes and guides employees and Phoenix Miles members to actively participate in the consumption-driven assistance, understand the needs of paired-up assistance areas and help them sell products.



The agricultural products from the paired-up assistance areas were sold in first and business class lounges

In recent years, the Company has purchased agricultural products totaling

RMB 340 million

from the paired-up assistance areas

Consumption-driven assistance for farmers

Air China actively participates in the "Consumption-driven Assistance of Central SOEs for the Spring Festival" and the "Second Session of the Week for Consumption-driven Assistance of Central SOEs for Agriculture Promotion" activities, organizing employees to engage in consumption-driven assistance. To further promote consumption-driven assistance, Air China continuously explores and integrates various resource channels. The Company helps to boost the sales of agricultural products from the paired-up assistance areas by introducing the agricultural products into staff canteens, first and business class lounges, Air China Phoenix Miles Member Mall, and organizing youth volunteers to sell goods through livestreaming at tea gardens.



Participating in the activity of the "Week for Consumption-driven Assistance of Central SOEs for Agriculture Promotion"

Talent Revitalization

Air China adheres to the philosophy of "Support of Ambition and Intelligence" and has dedicated to the "CNAHC Blue Sky Classroom" volunteer assistance project for 6 consecutive years. We have established and improved the selection and training mechanism of teaching volunteers, and perfected the systematic construction of volunteer teaching in terms of both theory and practice.

In 2023, a total of 16 teaching volunteers from Air China and Shenzhen Airlines taught a total of 3,303 class hours in Zhaoping County. Additionally, Air China dispatched a total of 48 persons in five batches to carry out short-term volunteer teaching, with 79 teaching hours completed in Sonid Right Banner. With the professional instruction and patient guidance of the teaching staff, the students' grades improved significantly compared with last year.



Air China volunteer teaching class

Rural teaching enhancement project

To further enhance basic education in paired-up assistance areas, Air China has partnered with organizations such as the China Foundation for Rural Development, the Ministry of Education, and Beijing Normal University to provide a teaching enhancement project for teachers in Sonid Right Banner and Zhaoping County. Additionally, comprehensive training programs have been conducted for grassroots managers, rural revitalization leaders, and technical personnel. The Company has invested a total of RMB 4.7 million in training funds throughout the year, cultivating a group of talents for the paired-up assistance areas. While improving the quality of local talents, this initiative also fosters and stimulates endogenous development motivation of the local people who have been out of poverty, laying a solid talent foundation for the sustainable development of the region.



Supporting the paired-up assistance areas to conduct training for teaching enhancement

Cultural Revitalization

Air China actively carries out a culture co-construction project with Ulanmuchi of Sonid Right Banner, firmly supports Ulanmuchi's literary and artistic creations that are people-centered and focused on building a strong sense of the Chinese nation's unity, and keeping in mind General Secretary Xi Jinping's reply that "Always be a 'red literary light cavalry' on the grassland".

"Never forget our original aspiration, follow the Party's leadership, and meet in the grassland for revitalization" themed activity

To further promote the spirit of Ulanmuchi, Air China launched the "Never forget our original aspiration, follow the Party's leadership, and meet in the grassland for revitalization" themed activity. During the activity, Air China joined hands with Zhaoping County to visit Sonid Right Banner, to learn the struggling history of Ulanmuchi and co-write the story of the joint efforts with the local people in completing poverty alleviation and continuous rural revitalization. The activity also specially invited the "Phoenix Voice" children's choir from Jiangkou Village, Zhaoping County, and the little Ulanmuchi team from Sonid Right Banner for a "making friends by songs" communication activity. Through this activity, Air China not only sowed the seeds of strengthening the consciousness of the Chinese national community among the children but also effectively promoted cultural exchange and integration

between different regions and ethnic groups, enhancing understanding and unity among all ethnicities.



Hand-in-hand ceremony between Sonid Right Banner No. 4 Primary School and Zhaoping County Jiangkou Primary School



The themed live show

Ecological Revitalization

A thriving ecosystem is the treasure and strength of rural revitalization, serving as a vital underpinning for the sustainable and robust growth of the rural economy. Air China keenly understands the profound significance of safeguarding the ecological environment and creating livable and beautiful villages in the revitalization of rural areas.

Jiangkou Village infrastructure construction project

Air China actively joined hands with personnel from Zhaoping County and Sonid Right Banner to visit Qingyuan County in Zhejiang Province, which was paired for assistance with the Air China Zhejiang Branch, to learn the Zhejiang Province's experience in launching the project "Green Rural Revival Program" – relying on the three key approaches of "improving livable rural environments, promoting high-quality rural construction, and protecting and utilizing historical and cultural villages", Qingyuan County Party Committee and Government successfully created an ecologically livable environment. After this on-site learning, Air China carried out the second phase of renovations for Zhaoping County Stadium and initiated the infrastructure restoration project in Jiangkou Village, integrating ecological concepts into the assistance work to help create beautiful, ecologically livable rural areas.



Invested Over

RMB 2 million

in the second phase of renovations for Zhaoping County Stadium and the infrastructure restoration project in Jiangkou Village

The backup water source infrastructure of Zhaoping County Jiangkou Primary School after restoration



The vision of part of Jiangkou Village after restoration

Organization Revitalization

Air China put the "red gene" of flag carriers into a resolute driving force for comprehensively promoting rural revitalization. With a high sense of political responsibility, we have stepped up our assistance efforts and further strengthened the Party's leadership in rural revitalization work. In 2023, Air China continued to select and assign three outstanding cadres to the paired-up assistance areas, serving as the Deputy Banner Head of Sonid Right Banner, the Deputy County Mayor of Zhaoping County, and the First Secretary of Jiangkou Village in Zhaoping County, respectively. Additionally, four outstanding league members had been dispatched to participate in the work of the paired-up assistance areas.

"Inheriting the Red Gene and Pursuing Dreams Together" joint activity

The Party Branch of Air China's Golden Phoenix Group visited Sonid Right Banner, Inner Mongolia, and carried out a communication activity themed "Inheriting the Red Gene and Pursuing Dreams Together" with the Party Branch of Ulanmuchi. They seriously studied Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, profoundly comprehended the truth power and practical greatness of the Party's innovative theory, reviewed the oath of Party membership, and further strengthened their beliefs and original aspirations.



Members from the Party Branch of Air China's Golden Phoenix Group and Ulanmuchi reviewed the admission oath of the CPC together

Neighbourhood Assistance

The branch of Air China carried out a series of targeted neighbourhood assistance work closely based on the local situation.

The Southwest Branch of Air China has helped Longba Village cultivate "golden" potatoes

In Longba Village, Songduo Township, Batang County, Ganzi Prefecture, Sichuan Province, the village assistance team from the Southwest Branch of Air China has actively leveraged its advantages to vigorously promote the development of characteristic agriculture by combining local resource endowments with market demands. The team, through providing technical guidance and financial support, developing the market, and other forms of assistance, has helped local potato farmers increase their production efficiency and expand their income sources.



The bumper harvest of potatoes in Longba Village with assistance from the Southwest Branch of Air China

The assistance team of the Zhejiang Branch visited the residents who had been out of poverty

In Huangyu Village, Xianliang Town, Qingyuan County, Zhejiang Province, the assistance team of Air China Zhejiang Branch actively communicated and collaborated with the local government and residents. To better understand the needs and difficulties of the villagers, the assistance team visited the residents who had been out of poverty, and get to know their living conditions, production situations, and challenges they faced. This initiative effectively strengthened the connection and interaction between the team and the residents, creating a positive social atmosphere.



The assistance team of the Zhejiang Branch visiting the residents who had been out of poverty

Supporting the Community

Air China fully leverages its advantages and goes all out to ensure the smooth completion of major transport tasks. In addition, the Company pays attention to the needs and welfare of community residents, actively carries out public welfare undertakings, provides care and assistance to community residents, and injects energy and warmth into social development.

Major Transport Tasks

With our rich experience in providing air transport service, Air China has demonstrated our responsibility by undertaking major air transport missions.

Escorting the Chinese Rescue Team to the earthquake-stricken area in Türkiye

On February 7th, Air China escorted the Chinese Rescue Team on a chartered flight to the earthquake-stricken area in Türkiye for rescue. On February 17th, Air China flew to Adana Airport in Türkiye again to bring home 82 members of the Chinese Rescue Team and 59 members of the Rescue Team from the Hong Kong Special Administrative Region of China, fully demonstrating its efficient response capability in emergencies and its responsibility as a flag carrier.



Escorting the Chinese Rescue Team to the earthquake-stricken area in Türkiye

Providing flight support for the Summer World University Games

From July 28th to August 8th, the Summer World University Games was held in Chengdu, Sichuan Province, China. Air China thoroughly implemented the overall deployment of the Civil Aviation Administration of China and CNAHC regarding the transport support for the Summer World University Games, focusing on the goal of "safety, quality service, and smooth operation". We delivered high-standard and high-quality flight transport services, contributing to the successful hosting of the Games. During the event, Air China provided a total of 793 flights for the Summer World University Games at Chengdu's two airports and transported 7,319 passengers.



Air China served the athletes of the Summer World University Games



Providing flight support for the 19th Asian Games Hangzhou and the 4th Asian Para Games

Air China thoroughly implemented General Secretary Xi Jinping's instructions on hosting the 19th Asian Games Hangzhou, strictly adhering to the overall plan of the Civil Aviation Administration of China for transport security during the event. With a focus on comfortable arrivals and departures, we adhered to safety first, made meticulous arrangements and careful organization, and carried out high-standard and high-quality security work for the flights involved in the Hangzhou Asian Games and Asian Para Games. During the period of the Games, Air China safeguarded 1,597 flights and 14,543 passengers related to the Asian Games and the Asian Para Games.



Air China served the athletes of the Asian Games and the Asian Para Games



Providing flight support for the China International Import Expo (CIIE) 2023

In November, with meticulous planning and careful organization, the Air China Shanghai Branch successfully completed the flight support mission for the CIIE 2023 by providing the "high-standard, high-quality, and high-level" services, and demonstrated its professional capabilities.



Air China supported the smooth convening of the CIIE 2023

Providing support for the World Economic Forum

From June 25th to July 1st, Air China Tianjin Branch successfully completed the aviation transportation service for the World Economic Forum, providing high-quality aviation services to passengers.



The dedicated check-in counter for the World Economic Forum

Bringing Warmth to Communities

Air China is dedicated to fostering positive vibes within communities and extending warmth and compassion to a wider audience. By engaging in diverse activities such as community enhancement, supporting charitable causes, and offering volunteer assistance, we actively contribute to the advancement and prosperity of society.

Boosting the "silver economy" in rural areas

The Lijiang Business Department of Air China cooperated with Lijiang City to launch a series of cultural exchange public welfare activities themed "Fulfilling Dreams in Beijing". From March 20th to 22nd, 100 silver-haired passengers took Air China flights to Beijing. Considering that all the silver-haired passengers were first-time flyers, the Business Department carefully formulated a special security plan. It coordinated exclusive check-in counters at the airport, guided the elderly through check-in and security checks, patiently instructed them on the use of airport facilities, and provided meticulous and thoughtful services to the elderly passengers.



The silver-haired passengers from Lijiang who traveled to Beijing expressed their heartfelt gratitude to the ground service staff

Providing congenital heart disease screening and free medical services for children in paired-up assistance areas

On June 8th, the assistance team in Longba Village, Songduo Township, Batang County, Sichuan Province, from the Southwest Branch of Air China, coordinated with the Sichuan Youth Development Foundation and the West China Second University Hospital of Sichuan University to visit the Songduo Township Central School and provide free medical services such as congenital heart disease screenings for 166 children. Accompanied by the members of the assistance team, the children who suffered from congenital heart disease identified through the screenings successfully underwent surgical treatment in Chengdu on June 13th.



Congenital heart disease screening

Ensuring Tibetan students' travel

On July 1st, the Chongqing Branch of Air China successfully completed the flight support for a group of 112 Tibetan students flying from Chongqing to Bangda. To ensure a nice journey for the students, Air China set up dedicated check-in counters and assigned special personnel to handle their affairs. The day of the trip coincided with the birthday of the Communist Party of China, on which the Chongqing Branch organized a unique interactive activity for the young passengers, by conducting interactive question-and-answer sessions on basic knowledge of Party history and presenting the students with exquisite Air China souvenirs.



Organizing a unique interactive activity for the young passengers

Ensuring that medical volunteers arrive at Tibet smoothly

On the morning of July 7th, four Airbus A319 planes of Air China safely arrived at the Qamdo Bangda Airport in Tibet, escorting over 500 medical volunteers to participate in the large-scale medical public welfare activity, assisting the medical volunteers in providing health public services locally and delivering medical assistance and health security to residents.



Cabin attendant assisted the medical volunteers with their boarding

The Belt and Road Initiative and Overseas Development

In response to the national "Belt and Road" initiative, Air China has actively accelerated the construction of air corridors connecting countries along the "Belt and Road" while actively participating in aid and assistance projects in those countries, contributing to the mutual understanding among the people along the "Belt and Road". Air China has demonstrated its responsibility as a state-owned enterprise in promoting shared prosperity and reaching out to each other in adversity.

By proactively planning the layout of international airlines, actively seeking policy support, promptly increasing flight frequencies and resuming flights, Air China fully utilizes both international and domestic markets and resources to build a global aviation network, promotes regional connectivity, and actively supports the country's high-level "Going Global Strategy".

By the end of 2023, Air China had executed a total of

55 airlines

related to the "Belt and Road" initiative

covering

25

countries

31

cities

The number of flights on these airlines nearly reached

90%

of the same period in 2019



Air China has six new "Belt and Road" airlines, including Beijing-Istanbul, Hangzhou-Dubai, Chengdu-Manila, Chengdu-Kuala Lumpur, Chongqing-Singapore, and Beijing-Xi'an-Astana.



Air China has collaborated with the People's Government of Xi'an Municipality to hold a successful inaugural ceremony for the Xi'an-Astana airline under the theme of "Building a Bridge of Cooperation and Painting a Picture of Development", garnering significant publicity and positive feedback.



Taking advantage of the expansion of Urumqi Diwopu International Airport, Air China has boosted its local resource investments and strengthened its collaboration with local governments, regulatory bodies, and airport group to jointly establish Urumqi as a premier international aviation hub.

Air China staff under the "Belt and Road" Initiative



Mr. Gift Moeketsi, a terminal employee of the Johannesburg Business Department said, "I believe the 'Belt and Road' initiative will bring a bright future for South Africa".



Ms. Siuman, Sales Manager of the Jakarta Business Department said, "We go forward together as a family".



Mr. Faisal, Sales Manager of the Karachi Business Department said, "We face challenges without fear".



Mr. Tang Jinquan, a terminal employee of the Ho Chi Minh Business Department said, "I treat every flight as if it is the first".



Ms. Lu Yanping, Passenger Transport Marketing Supervisor of the Kuala Lumpur Business Department said, "We contribute to the high-quality construction of the 'Belt and Road' initiative".



Ms. Anna, a terminal server of the Minsk Business Department said, "We build a bridge of friendship".

Jointly Promoting Industry Development

Participating in national/industry key programs

- During the "Fourteenth Five-Year Plan" period, Air China has undertaken the important mission of a large hub network civil aviation transportation enterprise in order to implement a modern comprehensive transportation system and civil aviation development plan. We gave full play to our advantages, further strengthened in-depth cooperation with other modes of transportation, promoted the smoothing of all links in the entire chain of passenger travel, and drove the integrated development of a comprehensive three-dimensional transportation network and transportation integration to meet people's desire for better transportation. As of December 31st, Air China formed an air-to-ground integrated transportation service product system mainly based on "joint air-rail transportation", supplemented by other ground transportation products such as join air-bus transportation, covering 63 domestic transfer cities, 98 transfer railway stations, and 371 accessible railway stations, effectively connecting 582 railway lines.
- Adhering to the principle of facilitating convenient travel for passengers, Air China has created a range of viable and reputable express airline products and brands. In December 2023, the express service was comprehensively upgraded, with the seventh express airline from Beijing to Xiamen added. Additionally, on the Beijing to Shenzhen and Beijing to Xiamen airlines, Air China strengthened coordination with Shenzhen Airlines, as well as Shandong Airlines, launching a new product that passengers could immediately rebook for Air China flights within the isolation area, enhancing the airline's differentiated competitive advantage and improving the profitability and value contribution of core airlines.
- Air China innovates travel services for the elderly. In line with the requirements of the Ministry of Industry and Information Technology's special action for the inspection of internet application adaptation for the elderly and barrier-free transformation, Air China launched a "Caring Version" website, which allowed the Company's domestic website and mobile applications to support features such as voice reading and large subtitles, catering to the needs of the elderly and ensuring barrier-free access, passed the relevant assessments by the Ministry of Industry and Information Technology and had been awarded the "Age-Friendly and Barrier-Free Service" certification mark.
- Providing support for charter flights and the "Belt and Road" Summit. As an important direct sales platform for Air China, the Air China app undertook the task of selling tickets for significant charter flights and guests attending the "Belt and Road" Summit. During this period, Air China coordinated with various ministries, embassies abroad, and its own departments, considered objective issues such as overseas time differences, and formulated a comprehensive system upgrade plan quickly to resolve issues related to exclusive pricing and international bank card payments. We also launched a series of flight sales functions including flight dispatch, sales, and registration for summit participants, establishing an aerial bridge for "bringing compatriots home" and supporting the "Belt and Road" initiative.

Industry construction

- Partnering with alliance members to successfully overcome the challenges of alliance audits and sorting the alliance standards based on the new core value of the alliance, with a 100% compliance rate in alliance audits.
- Expanding the application of alliance digitalization and launching multiple customer service functions to enhance the travel experience of passengers.
- Establishing interline cooperation mechanisms with multiple airlines and deepening interline cooperation to support the recovery of international airlines.
- Actively participating in IATA governance, being elected as a member of the Ground Operations, IOSA Oversight, and Airport Working Group under the Operations Advisory Council (OAC), a member of the Simplified Invoicing and Settlement (SIS) Steering Group under the Industry Finance Advisory Council (IFAC), and a member of the Plan Standards Board, Travel Standards Board, Settlement and Accounting Standards Board, and Architecture and Technology Strategy Board under the Passenger Standards Conference (PSC).
- Seizing the opportunity of a market recovery, collaborating with Tourism Australia, and holding three offline interactive promotional events in Beijing, Shenyang, and Xi'an, to boost sales for Australian routes.
- Participating in the second Civil Aviation Science and Education Innovation Achievement Exhibition, where our B2C mobile application system platform made a spectacular debut.
- Engaging in in-depth cooperation with Huawei on the HarmonyOS ecosystem and integrating air travel scenarios with Huawei's HarmonyOS system.



Air China participated in the 15th International Exhibition of Transportation Technology & Equipment

On September 25, 2023, Air China participated in the 15th International Exhibition of Transportation Technology & Equipment. The Air China booth featured the theme "Innovation Escorting a Bright Future," highlighting the Company's latest innovation achievements in operation support, aircraft maintenance, environmental protection, and passenger travel. It was fully demonstrated that the Company adhered to new development concepts, served the national strategy, and promoted high-quality practical exploration through digitalization.



The Air China booth at the 15th International Exhibition of Transportation Technology & Equipment

Air China made a splendid appearance at the China Air Transport Association (CATA) Conference

On November 3, 2023, Air China made a splendid appearance at the CATA Conference. The professional exhibition attracted more than 200 civil aviation enterprises, research institutions, universities, and foreign companies. Through multimedia presentations, flight simulation experiences, and on-site interactions, Air China comprehensively displayed its development history, corporate spirit, service products, and innovative practices. In a panoramic view, the Company's latest achievements in actively fulfilling social responsibilities, pursuing high-quality development, and striving to be a world-class aviation transportation enterprise were presented.



Air China made a splendid appearance at the CATA Conference

Air China became the core supporting enterprise and aviation service partner of the China International Supply Chain Expo (CISCE)

On November 29, 2023, Air China signed a cooperation agreement with China International Exhibition Center Group Limited, officially becoming the core supporting enterprise and aviation service partner of the First CISCE, actively serving the construction of a new development pattern with practical actions.



China International Supply Chain Expo (CISCE)

Volunteer Activities

Air China adheres to the volunteer service concept of "dedication, friendship, mutual assistance and progress", coordinates public welfare resources and actively engages in public welfare activities, to strive to be an outstanding corporate citizen.

The volunteer services

During the peak summer travel season, we launched a volunteer service activity at the airport terminal to assist with production challenges. Within 24 hours, 256 young volunteers in Beijing gathered to provide services such as check-in guidance and luggage assistance for over 27,000 travelers, accumulating a total of 1,400 hours of volunteer service. The dedication and enthusiasm of the young volunteers not only earned widespread appreciation and praise from passengers but also showcased the spirit and excellence of our volunteers.



A volunteer provided luggage assistance for a passenger

Volunteer service activities for the 19th Asian Games Hangzhou and the 4th Asian Para Games

During the 19th Asian Games Hangzhou and the 4th Asian Para Games, Air China actively recruited 12 outstanding young volunteers in two batches to provide assistance at the airport terminal, totaling 1,624 hours of volunteer service. As the main unit for flight support for the two events, the Zhejiang Branch organized nearly 100 volunteers to actively participate in flight support, accumulating over 7,000 hours of volunteer service.



Volunteers from Shenzhen Airlines cared for children with autism

Shenzhen Airlines' volunteers visited Shenzhen Bao'an District Xingguang School to bring warmth to children with autism. During the activity, the volunteers interacted closely with the children, watched flight videos, introduced the boarding process, taught them how to use seat belts and oxygen masks, and explained flight knowledge engagingly and interestingly. They led the children on a virtual journey through the skies for the joy of "flying".



Shenzhen Airlines' volunteers interacted with the children with autism

Shandong Airlines organized a volunteer activity in Dagao Town No. 2 Primary School

On May 26, 2023, Shandong Airlines organized a volunteer activity in the No. 2 Primary School of Dagao Town, Zhanhua District, Binzhou City. The "Lingyun" volunteers from the Air Marshall Department presented the show, combining "allegro" with "grappling and martial arts fighting", showcasing the "Lingyun" spirit of "loyalty, responsibility, martial prowess, and dedication" to the fullest, and eliciting awe and wonder from the children present. Volunteers from the Operations Risk Control Center turned the performance stage into a classroom for popularizing civil aviation knowledge, enabling the children to understand the principles of aircraft take-off through hands-on experiments and learn about the development history of aircraft to encourage the children to work hard to make their dreams come true.



The "Heyue" cabin crew's education assistance activity

The "Heyue" Cabin Crew of the Cabin Service Department of Air China Zhejiang Branch, actively participated in the "Hongxinbao Care Playground" project organized by the Hangzhou Charity Federation, showing care and concern for the children of migrant workers in Hongxinbao. They organized "Charitable Education" public welfare donation activities within the Company, and visited Hongxinbao numerous times to spend time with the children, engaging in various fun activities to create a relaxed and joyful atmosphere, bringing them warmth and care.



The "Heyue" cabin crew's charitable education assistance activity

Outlook for 2024

Looking ahead to 2024, Air China will thoroughly implement the guiding principles from the Party's 20th National Congress and stay adherent to the general principle of pursuing progress while ensuring stability. We will fully and faithfully apply the new development philosophy on all fronts, work to create a new layout, continuously, unswervingly promote sustainable development, and drive the high-quality development of the enterprise.

Adhering unwaveringly to the principle of safety first. We will resolutely pursue a holistic approach to national security, firmly keep in mind the concept of ensuring safety in development, continuously improve safety management, comprehensively strengthen the construction of the management system, hold the key link of workplace safety, promote the construction of a long-term mechanism for safety conduct, and resolutely safeguard the safety.

Comprehensively enhancing service quality. We will significantly raise the bar on service quality across the board. This includes ongoing enhancements to our service standards, a relentless pursuit of brand excellence in service, and a consistent drive to strengthen quality control measures. We will also advance our digital service capabilities and further refine the operational quality of our hubs, all in a bid to foster the delivery of high-quality services.

Embracing a greener future. We will accelerate the development of our smart carbon peaking and carbon neutrality platform, expand the routine use of sustainable aviation fuels, and steadfastly continue our "Enjoying Low-Carbon Travel" initiative. We are committed to taking concrete steps towards an environment-friendly, circular, and low-carbon economy.

Resolutely winning the battle for profitability. We will adopt a comprehensive approach to boost operational efficiency and revenue integrity. By streamlining our production processes and maximizing aircraft utility, we are proactively pursuing profit growth. Additionally, we will implement a sophisticated cost management system to exercise rigorous cost control and prioritize risk mitigation strategies.

Strengthening the effort to promote reform and innovation. By ramping up our reform initiatives and prioritizing strategic tasks, we are determined to ensure the effective implementation of our Group's strategic plans and reform agendas. Our goal is to continually enhance our value-creation capabilities and swiftly establish ourselves as a world-class corporation.



Table of Major Indicators*

Indicators	2021	2022	2023
Total assets (RMB million)	298,415	295,011	335,303
Total actual tax paid during this year (RMB million)	3,339	3,223	5,784
Number of registered aircraft (unit)	746	762	905
Average aircraft age (years)	8.23	8.59	9.36
Safe flight hours (1,000 hours)	1,590.2	1,166.9	2,529.5
RTK (million tonnes kilometres)	13,599	9,688	21,887
Passenger carried (million passengers)	69	45	125
Cargo and mail carried (1,000 tonnes)	1,186.7	902.8	1,070.4
Purchase from the five largest suppliers (RMB million)	17,852	24,598	42,684
Passengers' overall satisfaction (points)	84.7	87.5	88.4
Premium passengers' overall satisfaction (points)	85.2	87.6	89.4
Ground service satisfaction (points)	83.2	84.9	87.0
Ticket service satisfaction (points)	88.3	89.8	90.6
Cabin service satisfaction (points)	83.5	85.7	88.1
International baggage error rate (pieces/1000 person-times)	1.76	1.56	1.78
Domestic baggage error rate (pieces/1000 person times)	0.2	0.2	0.12
Total number of passenger complaint cases from all channels (cases)	15,793	14,787	27,000
Passenger complaint handling rate (%)	100	100	100
Flight on-time performance (%)	88.96	95.45	87.94
Flight execution rate (%)	99.03	99.2	99.2

* ¹¹ The financial, operational, and employee data are consistent with those of the annual report.

¹² The service data comes from Air China, Dalian Airlines, Beijing Airlines and Inner Mongolia Airlines. The Total number of passenger complaint cases from all channels includes complaints received by the Company and transferred by the CAAC.

¹³ Energy consumption data includes greenhouse gas emissions from Air China and its subsidiaries, including Air China, Shenzhen Airlines, Kunming Airlines, Shandong Aviation Group Corporation, Dalian Airlines, Inner Mongolia Airlines, Beijing Airlines, and Ameco. Hazardous waste emissions only involve those from Ameco.

Indicators	2021	2022	2023
Total energy consumption (1,000 tonnes standard coal)	7,151	4,631	10,608
Aviation fuel consumption (1,000 tonnes)	4,813	3,102	7,157
Power consumption (MWh)	214,229.6	227,952.3	274,869.5
Gasoline consumption (tonnes)	2,336.6	1,708.8	2,276.8
Diesel consumption (tonnes)	5,565.4	3,945.5	5,830.7
Natural gas consumption (1,000 m ³)	15,100	16,105	17,837
Thermal power (MKJ)	311,688.4	251,909.3	239,902.0
Other energy consumption (tonnes standard coal)	0.6	6.4	36.7
Fuel consumption intensity (kg/ton-km)	0.357	0.358	0.336
CO ₂ emission intensity (g/tonne-km)	1,124.7	1,126.5	1,058.7
CO ₂ emissions (1,000 tonnes)	15,442	10,053	22,791
Total hazardous waste emissions (tonnes)	1,089.1	1,112.4	1,337.8
Water consumption in the offices (1,000 tonnes)	4,905	4,531	5,268
Water consumption intensity in the offices (tonnes/person)	55.5	52.0	51.2
Environmental protection investment (RMB1,000)	467,798	244,159	385,010
Number of employees on the post (persons)	88,395	87,190	102,874
Labor contract signing rate (%)	100	100	100
Proportion of employees guaranteed by collective bargaining agreements (%)	100	100	100
Social insurance coverage (%)	100	100	100
Work-related deaths (persons)	0	1	0
Proportion of employees who died due to work (%)	0	0.001	0

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Indicator	Details	Page No.
Mandatory disclosure indicators		
Governance Structure		
	A disclosure of the board's oversight of ESG issues;	P6、 27
	The board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and	P27-31
	How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	P6、 30
Reporting Boundary		
	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change	P2-3、 30
"Comply or explain" provisions		
A. Environmental		
Aspect A1: Emissions		
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A1.1	The types of emissions and respective emissions data.	P66、 70-73
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P66
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P71-72
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P71
A1.5	Description of emissions target(s) set and steps taken to achieve them.	P66
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P71
Aspect A2: Use of Resources		
General Disclosure		P74-76
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P135
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P74
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P75
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P74

Indicator	Details	Page No.
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	P73
Aspect A3: The Environment and Natural Resources		
General Disclosure		P62、 P70-73
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P62、 P70-73
Aspect A4: Climate Change		
General Disclosure		P63-69
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P63-69
B.Social		
Aspect B1: Employment		
General Disclosure		P94-96
B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	P94-95
B1.2	Employee turnover rate by gender, age group and geographical region.	P95
Aspect B2: Health and Safety		
General Disclosure		P100-102
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B2.2	Lost days due to work injury.	P100
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P100-102
Aspect B3: Development and Training		
General Disclosure		P97-100
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P99
B3.2	The average training hours completed per employee by gender and employee category	P99
Aspect B4: Labor Standards		
General Disclosure		P94-96
B4.1	Description of measures to review employment practices to avoid child and forced labor.	P94
B4.2	Description of steps taken to eliminate such practices when discovered.	P94
Aspect B5: Supply Chain Management		

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B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P44-46
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P44-46
B5.4	Description of practices used to promote environmentally preferable products and service when selecting suppliers, and how they are implemented and monitored.	P44-47
Aspect B6: Product Responsibility		
General Disclosure		P82-91
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable. Air China's business does not involve production.
B6.2	Number of products and service related complaints received and how they are dealt with.	P84
B6.3	Description of practices relating to observing and protecting intellectual property rights.	P43
B6.4	Description of quality assurance process and recall procedures.	P82-83
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P85-86
Aspect B7: Anti-corruption		
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B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	P36
B7.3	Description of anti-corruption training provided to directors and staff.	P37
Aspect B8: Community Investment		
General Disclosure		P110-131
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	P110
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Major Laws, Regulations and Corporate Policies

ESG Indicator	Applicable Laws and Regulations	Corporate Policies
A1 Emissions	<p>Law of the People's Republic of China on the Prevention and Control of Air Pollution</p> <p>Law of the People's Republic of China on the Prevention and Control Noise Pollution</p> <p>Law of the People's Republic of China on the Prevention and Control of Water Pollution</p> <p>Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes</p> <p>Integrated Emission Standard of Air Pollutants</p> <p>Standard for Pollution Control on the Municipal Solid Waste Incineration</p> <p>Integrated Emission Standard of Water Pollutants</p> <p>Regulation on Urban Drainage and Sewage Treatment</p> <p>Technical Policy on the Prevention and Control of Pollution Caused by Hazardous Waste</p> <p>Provisions on the Administration of Urban Construction Garbage</p> <p>Regulations of the People's Republic of China on the Prevention and Control of Noise Pollution</p>	<p>Waste Disposal Management Procedures</p> <p>Special Emergency Response Plan for Hazardous Waste</p> <p>Hazardous Waste Disposal Agreement</p> <p>Notice on Promoting Plastic Pollution Control in Offices</p> <p>Environmental Standard of Aircraft Noise around the Airport</p> <p>CNAHC Special Actions on Plastic Pollution Control (2021-2025)</p>
A2 Use of Resources	<p>Water Law of the People's Republic of China</p> <p>Energy Conservation Law of the People's Republic of China</p> <p>Measures for the Administration of Energy Conservation of Major Energy-Consuming Entities</p>	<p>Water Management Regulations</p> <p>Energy-Saving and Environmental Protection Management Methods</p> <p>Energy Conservation and Environmental Protection Training Implementation Rules</p> <p>Energy Conservation and Environmental Protection Supervision Implementation Rules</p> <p>Energy Conservation and Environmental Protection Assessment and Reward and Punishment Measures</p> <p>Energy Conservation and Emission Reduction Management Manual</p> <p>Energy Conservation Diagnosis Work Plans</p> <p>Energy Conservation and Environmental Protection Responsibility Letters</p>
A3 Environment and Natural Resources	<p>Environmental Protection Law of the People's Republic of China</p> <p>Law of the People's Republic of China on Environmental Impact Assessment</p> <p>Law of the People's Republic of China on Water and Soil Conservation</p>	<p>Environmental Compliance Evaluation Report</p> <p>Air China Emergency Response Plan for Environmental Emergencies</p> <p>Environmental Management Manual</p> <p>Management and Review Procedures for Environmental Management Systems</p> <p>Identification, Evaluation, and Update Management Procedures of Environmental Factor</p>

ESG Indicator	Applicable Laws and Regulations	Corporate Policies
A4 Climate Change	<p>The 14th Five-Year Special Plan for Green Development</p> <p>The 14 Five-Year Plan</p> <p>China's Policies and Actions for Addressing Climate Change (2022)</p> <p>Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy</p> <p>Notice by the State Council of the Action Plan for Carbon Dioxide Peaking Before 2030</p>	<p>Action Plan for Carbon Peaking</p> <p>Carbon Emissions Management Implementation Rules</p>
B1 Employment	<p>Labor Law of the People's Republic of China</p> <p>Labor Contract Law of the People's Republic of China</p> <p>Employment Promotion Law of the People's Republic of China</p>	<p>Employee Recruitment Management Regulations</p> <p>Collective Contract</p> <p>Special Collective Contract for Labor Protection</p> <p>Collective Contract for the Protection of Female Employees' Special Rights and Interests</p> <p>Notice on Deepening the Reform of Market-oriented Assessment and Incentive Mechanisms</p> <p>Management Measures for Trade Union Members' Congress of CNAHC</p> <p>Labor Union Organization Construction Operating Procedures of CNAHC</p> <p>Rules for the Work of Trade Union Committees and Standing Committees</p>
B2 Health and Safety	<p>Work Safety Law of the People's Republic of China</p> <p>Civil Aviation Law of the People's Republic of China</p> <p>Interim Provisions on the Supervision and Management of Work Safety at State-owned Enterprises</p>	<p>Regulations on the Management of Dual Prevention Mechanisms of Graded Control and Hidden Danger Investigation and Governance of Civil Aviation Safety Risks</p> <p>Regulations on Operation Qualification of Large Aircraft Public Air Transport Carriers (CCAR-121)</p> <p>Provisions on the Administration of Civil Aviation Safety (CCAR-398)</p> <p>Regulations on the Management of Dual Prevention Mechanisms of Graded Control and Hidden Danger Investigation and Governance of Civil Aviation Safety Risks</p> <p>Implementation Plan for the Construction of Long-term Mechanisms for Safety Culture among CNAHC's Safety Personnel</p> <p>Operations Control Center Quality Inspection Workgroup Management Regulations</p> <p>Emergency Response Manual</p> <p>Management Measures for Flight Operation Data Analysis (draft for comments)</p> <p>Company Overall Emergency Plan</p> <p>Operation Manual</p> <p>OC Flight Abnormal Situation Handling Procedures</p> <p>Air China, Shenzhen Airlines, Shandong Airlines Operations Control Department AOC Construction Communication Sharing Mechanism</p> <p>Implementation Plan for the Construction of Long-term Mechanisms for Safety Culture among CNAHC's Safety Personnel</p> <p>Report on Engineering Control Measures for Major Technical Issues</p> <p>Ground Services Department Aviation Safety Management Manual</p> <p>Ground Services Department Aviation Safety Management Procedures</p> <p>Ground Services Department Safety Practitioner Work Style Long-Term Mechanism</p> <p>Construction Implementation Plan</p> <p>Work Program on Safety Publicity, Education and Cultural Style Construction of CNAHC in 2023</p> <p>Safe Production - Long-term Mechanisms for the Construction of Safety Culture and Working Styles</p>

ESG Indicator	Applicable Laws and Regulations	Corporate Policies
B3 Development and Training	/	<i>Notice on Tarmac Operations Training Training Management Manual</i>
B4 Labor Standards	<i>Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Employment Promotion Law of the People's Republic of China</i>	<i>Employee Code of Conduct Punishment Regulations for Labor Discipline Violation</i>
B5 Supply Chain Management	<i>Bidding Law of the People's Republic of China Regulations on the Implementation of the Bidding Law of the People's Republic of China</i>	<i>Supplier Management Regulations Procurement Management Regulations of Air China Limited Procurement Management Platform Operation Management Regulations of China National Aviation Holding Corporation Limited and Air China Limited Procurement Business Inspection Management Regulations of China National Aviation Holding Corporation Limited and Air China Limited Management Measures for Malpractices of Suppliers Letter of Supplier Commitment Against Commercial Bribery. Notice on the Implementation of Green Procurement</i>
B6 Product Responsibility	<i>Trademark Law of the People's Republic of China Regulations on the Implementation of the Trademark Law of the People's Republic of China Patent Law of the People's Republic of China Regulations on the Implementation of the Patent Law of the People's Republic of China Copyright Law of the People's Republic of China Madrid Agreement Concerning the International Registration of Marks Work Safety Law of People's Republic of China Civil Aviation Law of People's Republic of China Guidelines for the Construction of Public Air Transport Passenger Service Quality System Personal Information Protection Law of the People's Republic of China Cyber Security Law of the People's Republic of China</i>	<i>Digital Transformation Action Plan (2022-2025) Legal Affairs Management Regulations of China National Aviation Holding Corporation Limited and Air China Limited Intellectual Property Management Measures of Air China Limited, General Rules for Service Standard Management Service Standard Document Management Procedures Service Standard Document Compilation Specifications Service Quality Management System Usage Management Regulation Service Quality Inspection Management Regulations Service Quality Risk and Hazard Management Regulations Complaint Management Regulations Passenger Satisfaction Survey Management Regulations Service Reward and Punishment Management Regulations Management Regulations for Service Remediation Authorization Privacy Policy Data Management Regulations for China National Aviation Holding Corporation Limited and Air China Limited. Notice on Annual Data Security Check Training Work</i>

ESG Indicator	Applicable Laws and Regulations	Corporate Policies
B7 Anti-corruption	<i>Criminal Law of the People's Republic of China Company Law of the People's Republic of China Anti-Money Laundering Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China Interim Provisions on Prohibition of Commercial Bribery Anti-Monopoly Law of the People's Republic of China Bidding Law of the People's Republic of China Surveillance Law of the People's Republic of China</i>	<i>Compliance Management Regulations of Air China Limited Compliance Code of Conduct of Air China Limited Management Measures for Overseas Compliance of Air China Limited Overseas Compliance Training Manual (English and Chinese versions) Audit Rectification Tracking Management Measures of China National Aviation Holding Corporation Limited and Air China Limited Implementation Rules for the Handling of Letters and Visits of Air China Limited (for Trial Implementation) Implementation Measures for Utilizing the First Form Education and Training Work Plan for Cadres of Discipline Inspection and Supervision (2021-2023) Anti-Commercial Bribery Compliance Manual (2022 Edition) Compilation of Antitrust Case Dynamics in the Aviation Industry Compliance Manual for Data in Various Jurisdictions (2022 Edition) Regulations on the Integrity Commitment of Leading Officials of Air China Limited Supervision, Inspection, and Assessment Plan List of Enterprises Prohibited from Transactions (2022) Implementation Rules for the Handling of Letters and Visits of Air China Limited (for Trial Implementation) Integrity Education Work Plan 2023 Reference Catalog of Integrity Education Training Courses Comprehensive List of On-site Teaching Resources for Integrity Education</i>
B8 Community Investment	/	<i>Administrative Measures for External Donations Implementation Opinions on Practicing Targeted Assistance Work Articles of Association of Chinese Youth Volunteers Association Administrative Measures for Volunteer Teaching Program of "CNAHC Blue Sky Classroom" "CNAHC Blue Sky Classroom" Volunteer Teaching Plan (2021-2023)</i>

Third-Party Assurance



ASSURANCE STATEMENT

SGS-CSTC'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE AIR CHINA LIMITED'S CORPORATE SOCIAL RESPONSIBILITY (ESG) REPORT FOR 2023

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC STANDARDS TECHNICAL SERVICES CO., LTD. (hereinafter referred to as SGS) was commissioned by AIR CHINA LIMITED (hereinafter referred to as Air China) to conduct an independent assurance of the Chinese version of Air China's Corporate Social Responsibility (ESG) Report for 2023 (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Air China's Stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the directors and the management of Air China. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all Air China's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognised assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how it manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards and ISAE3000.

The assurance of this report has been conducted according to the following Assurance Standards:

- SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)

Assurance has been conducted at a moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

- HKEX Environmental, Social and Governance Reporting Guide
- GRI Standards 2021 (Reference)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at Air China's headquarters located at No. 30, Tianzhu Road, Tianzhu Airport Industrial Zone, Shunyi District, Beijing, P.R. China.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

The data related to carbon emissions in the Report was self-accounted by Air China, and the carbon data audit was conducted on the sampling basis during the assurance process.

Data tracing was conducted on headquarters level, and didn't include original data of all subsidiaries.

The assurance process only involved interviews with certain employees from relevant departments of headquarters and consultation with relevant documents. No external stakeholder involved.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in multiple countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Air China, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, the information and data contained within the Report verified is accurate, reliable, and provides a fair and balanced representation of Air China's sustainability activities in 2023.

The assurance team is of the opinion that the Report is presented in accordance with the KPIs disclosure requirements in the appendix C2 <Environmental, Social and Governance Reporting Guide> of the < Rules Governing the Listing of Securities on the HKEX>.

Reporting Rules

Materiality

Air China presented the methodology for factors' materiality research and analysis, via materiality analysis, the environmental, social and governance significant issues was reported to stakeholders, which could meet the materiality principle requirement.

Quantitative

Air China conducted the statistics and analysis for KPIs, and reported the disclosures' impacts and purposes. In the Report some data were compared with historical years, which could better help stakeholders to evaluate the effectiveness of management systems and make decisions.

Balance

Air China presented the balance reporting rule in the Report and reported the environmental, social and governance issues truthfully.

Consistency

Air China disclosed the methodologies with consistency for report content and data statistics at all levels in the company, in addition, remarks and interpretations were marked in the Report to assist stakeholders make a clear comparison.

Findings and recommendations

Good practices and recommendations for ESG report and management process were described in the internal management report which has been submitted to the management of Air China for continuous improvement.

Signed:

For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Beijing, P.R. China

Mar. 28th 2024
WWW.SGS.COM

Feedback Collection

Dear reader,

Thanks for reading the 2023 Corporate Social Responsibility (ESG) Report of Air China Limited, which is the sixteenth social responsibility report published by Air China. You are welcomed to provide us with your comments and suggestions on this report for consideration and adoption, enabling us to make continuous improvement in future report preparation and to improve our corporate social responsibility management and practice. We look forward to your valuable comments and suggestions.

1. Do you think the overall report is satisfactory?

Excellent Good Fair Poor

2. Did the report provide all information you are concerned about?

Excellent Good Fair Poor

3. Do you think the report has faithfully reflected the performance of Air China in respect of creating economic value, social value and environmental value and fulfilling social responsibility?

Excellent Good Fair Poor

4. Can you access the information you are concerned about in a convenient way?

Excellent Good Fair Poor

5. Do you think the information disclosed in the report is accurate, clear and complete?

Excellent Good Fair Poor

6. Do you have any comment or suggestion to our social responsibility work and social responsibility report in the future?

